

REGISTRAR'S
COPY

Financial Statements EMLC

For the year ended 31 March 2013

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COMPANIES HOUSE

Company No. 4813638
Charity No. 1101512

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Charitable company information

Chairman: G Gyte

Trustees: D J Bateson
Dr G Berwick
A McCormick (resigned
17 October 2012)

Appointed in the year:

E Anderson - appointed 22 February 2013
K Crompton - appointed 22 February 2013
M Esam - appointed 12 February 2013
J Fairlie - appointed 22 February 2013
D Morris - appointed 22 February 2013
P Waterhouse - appointed 12 February 2013

Company Secretary:

The Executive:

- **Chief Executive** Jan Marshall
- **Managing Director** Jane Thomas
- **Director** Kerry Batten

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

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 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 the Trustees will be six consecutive years. Any Trustees 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 Trustees 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 the 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 education charity which specialises in leadership development whose key objectives are to 'advance education, in particular by promoting, improving and developing education leadership'

In November 2011, EMLC became an accredited sponsor for the Department for Education to be a sponsor of schools. In addition to the sponsorship work, EMLC has continued to deliver high profile services on behalf of the National College of School Leadership.

The charitable objects reflect our belief that an excellent education is critical to the life chances of the children and young people in this country. We are committed to achieving public benefit by making a difference to these life chances through

- Promoting and developing effective leadership in schools, in particular where there has been long term systemic failure
- Sponsoring schools to transform the quality of the teaching and learning experienced by all children in our schools
- Developing a Multi Academy Trust which will include both sponsored schools in disadvantaged areas as well as schools converting as outstanding schools

We are still committed to a process of research and identifying the needs of staff in schools and designing and delivering professional development that has an impact on the systems and processes in the schools.

In July 2012, EMLC set up the EMLC Academy Trust to deliver the academies for the sponsor EMLC.

EMLC Strategic Goals

In 2012-2013, the charitable company had three strategic objectives designed to meet its objects. These were

- To establish EMLC as a nationally recognised provider of assessment for masters level qualifications for middle, senior, aspiring head teachers and expand into recruitment
- To open our first two academies in the Academic Year 2012-13. To create and deliver academies with the highest standards
- To deliver excellence for all pupils whereby they are active in their own learning, where teaching and learning have fostered their curiosity and their standards of attainment and progress exceed the expected levels
- To expand the Board of Trustees in order to grow and enhance our reputation

The charity's intention to become a leading academy sponsor is fuelled by many years of working with all types of schools, to make them the best that they can be. Becoming an academy sponsor will enable EMLC to take this to another level and to bring to the fore our ability to rapidly turn around the fortunes of the schools, its sponsors, and the children, young people, and communities they serve.

Our vision is that 'every child deserves to be the best they can be' and that great schools need great teaching and leadership. EMLC achieves this through a relentless focus on great leadership in world class schools, through our work we are expert in identifying, developing and assessing talented leaders for schools in the future. By setting up the EMLC Academy Trust it roots us into the real world of raising standards in our own academies. We can demonstrate outstanding leadership with flair and passion, innovative teaching on track to produce good and outstanding, children becoming leaders in learning and learning environments that promote aspiration, ambition and progress.

Performance against Plans

To establish EMLC as a nationally recognised provider of assessment for masters level qualifications for middle, senior, aspiring head teachers and expand into recruitment

EMLC won a national contract in December 2012 with the National College of School Leadership (becoming the National College for Teaching and Leadership in September 2013) to deliver Final Assessment of the Modular Curriculum. This is contract for four years with a possible extension of two years. The requirement covers the delivery of the assessment of levels 1 – 3 of the modular curriculum. The purpose of the assessment is to award qualifications that are linked to the modular curriculum. The modular curriculum is made up of a range of essential and elective modules on key leadership themes and competencies that reflect the needs of leaders at different stages in their careers – from just starting out to highly experienced. A combination of essential and elective modules must be studied by candidates for assessment, which can lead to award of a National College qualification. The College has been working to secure recognition by leading universities that College qualifications can contribute towards Master's degrees.

The National College qualifications are:

Level 1 National Professional Qualification for Middle Leadership NPQML

Level 2 National Professional Qualification for Senior Leadership NPQSL

Level 3 National Professional Qualification for Headship NPQH

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.

EMLC Academy Trust aims to open our first two academies in the Academic Year 2012-13 and create and deliver academies with the highest standards. All our academies will deliver excellence for all pupils so they are active in their own learning, where teaching and learning fosters curiosity and standards of attainment and progress exceed the expected levels

EMLC, as the sponsor of the academies on behalf of the Department for Education, established the EMLC Academy Trust in July 2012 and the Trust opened its first two academies in September 2012. Orchard Academy was a sponsored academy and Shepherdswell, which had been federated with Orchard, converted as an outstanding school.

NB

Orchard Academy (NOR 171 pupils Capacity 300)

Shepherdswell Academy (NOR 102 Capacity 180 and expanding to two form entry)

Performance against Plans (continued)

Non Negotiables

EMLC Academy Trust is committed to the setting of challenging targets for our pupils and our academies in order to meet our core purpose of high values of attainment, improved pupil progress, narrowing the gap and thereby improving the life chances of our pupils

Critical to our methodology of raising standards and improving pupil progress at a pace is the successful work done by our strategic partner Third Wave Enterprises. Its approach was particularly successful in the London Challenge and is modelled on partnering underperforming schools with outstanding schools. We have used this methodology with our first two academies partnering them with Two Mile Ash, an outstanding school in Milton Keynes

Expectations of Performance in all our Academies in 2013

In order to reach these challenging targets we expect that our Academies are **consistently delivering good and outstanding teaching and learning**

Early Years Foundation Stage: at least meets the national average of 64% for the number of children attaining age related expectations by the end of the EYFS

Key Stage 1: Percentage of pupils meet or exceed national expectations Summer 2013 for Reading, Writing, Maths

Key Stage 2: Attainment: Percentage of pupils meet or exceed national expectations in English and Maths combined Level 4 and above **Progress:** 2 full levels of progress

Expanded Board of Trustees in order to grow and enhance our reputation

In November 2012, EMLC advertised for new Trustees in the Sunday Times. EMLC was keen to develop the Board of Trustees further by adding new Trustees with a wide range of skills and background. We recruited an additional six Trustees to add to the existing three making a Board of Trustees of ten. This recruitment now provides us with senior educational expertise, human resources, business, leadership coaching and media.

Financial review

Total incoming resources amounted to £1,848,828 (2012 - £3,089,441) with costs expended of £1,857,257 (2012 - £3,016,329)

Whilst the charitable company operated profitably, generating an operating deficit of £8,429, there was a surplus of £30,000 in the pension 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

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. As with previous years Bridge House, Olney continues to be a significant investment, serving both as a base for the charitable company and as meeting point for school leaders all of which enhances our reputation. The Board of Trustees are currently reviewing our investment strategy.

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 12 months' expenditure. The interim target is to have free reserves of not less than 9 months' expenditure. This will provide sufficient funds to cover management and administration and support costs required to continue the pursuit of additional contracts.

At 31 March 2013 free reserves stood at £412,699 (net current assets)

Future plans

EMLC has recently held a strategy meeting with the Board of Trustees and identified key strategic objectives for the next year which will meet our purpose of ensuring that **'every child deserves to be the best they can be'**. We believe that in order to achieve this, great schools need great teaching and great leadership. EMLC will fulfill its purpose through a relentless focus on identifying, developing and assessing talented leaders for schools of the future.

How will we do this?

- High quality delivery of the Final Assessment Contract and playing a role in developing a talent pool of leaders of the future that will help meet the looming leadership gap facing this country
- Working in partnership with the EMLC Academy Trust to support leadership development
- Begin to develop links between business and education and use the expertise from business to enhance leadership in the country's schools

Related parties

The charitable company enters into transactions with Third Wave Enterprises Limited, a company of which EMLC owns 14% 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' Annual 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 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 apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent

Statement of trustees' responsibilities (continued)

- 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 adequate 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.

The Trustees confirm that

- so far as each Trustee is 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 charitable company's auditor is aware of that information.

The Trustees are also responsible for ensuring that the assets are properly applied in accordance with charity law.

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.

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.

Donation

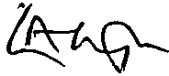
EMLC made two donations in this financial year

- £30,000 donation to Orchard Academy toward the refurbishment of the Communication Difficulties Department in EMLC Academy Trust Orchard Academy in order to improve the education provided to children with specific difficulties. The positive impact in this change to the educational provision was praised in a recent monitoring visit.
- £500 was donated to Breast Cancer.

Exemption certificate

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 10th October 2013 and signed on its behalf by



G Gyte
Chairman

10 October 2013



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 2013 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 pages 7 and 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 2013 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

10 October 2013

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 within 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	2 - 10 years straight line
Fixtures and fittings	10 - 30 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 company 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.

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 (incorporating income and expenditure account)

	Note	Unrestricted funds total 2013 £	Unrestricted funds total 2012 £
Incoming resources			
Incoming resources from charitable activities	1	1,813,193	3,055,544
Activities for generating funds			
Investment income	2	35,635	33,897
Total incoming resources		1,848,828	3,089,441
Resources expended			
Costs of generating funds			
Charitable activities		1,790,976	2,937,066
Governance costs		74,281	89,263
Finance costs		(8,000)	(10,000)
Total resources expended	3	1,857,257	3,016,329
Net (outgoing)/incoming resources before other recognised gains and losses and net income and expenditure		(8,429)	73,112
Other recognised gains and losses			
Actuarial gains/(losses) on defined benefit pension scheme		30,000	(71,000)
Net movement in funds		21,571	2,112
Balance at 1 April 2012		1,633,834	1,631,722
Balance at 31 March 2013		1,655,405	1,633,834

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

There were no other recognised gains or losses in the year

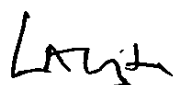
The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	6	1,862,118	1,936,387
Investments	7	<u>10</u>	<u>10</u>
		1,862,128	1,936,397
Current assets			
Debtors	8	149,417	175,878
Cash at bank and in hand		<u>530,774</u>	<u>2,152,781</u>
		680,191	2,328,659
Creditors: amounts falling due within one year	9	<u>(267,492)</u>	<u>(1,728,689)</u>
Net current assets		<u>412,699</u>	<u>599,970</u>
Total assets less current liabilities		2,274,827	2,536,367
Creditors: amounts falling due after more than one year	10	<u>(615,422)</u>	<u>(661,533)</u>
		1,659,405	1,874,834
Pension deficit	14	<u>(4,000)</u>	<u>(241,000)</u>
Total assets after pension deficit		<u>1,655,405</u>	<u>1,633,834</u>
Funds			
Unrestricted funds			
Other charitable funds		<u>1,655,405</u>	<u>1,633,834</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 10 October 2013 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 2013 £	Unrestricted funds 2012 £
Incoming resources from charitable activities		
Programmes and activities	<u>1,813,193</u>	<u>3,055,544</u>

2 Investment income

	Unrestricted funds 2013 £	Unrestricted funds 2012 £
Bank interest receivable	7,635	15,457
Dividend income from investments	<u>28,000</u>	<u>18,440</u>
	<u>35,635</u>	<u>33,897</u>

3 Analysis of total resources expended

	Charitable activities		Governance costs	Finance costs	Unrestricted funds 2013 £	Unrestricted funds 2012 £
	Direct £	Support £	£	£	£	£
Delivery of services	667,403	-	-	-	667,403	1,434,424
Travel	7,753	5,159	-	-	12,912	21,866
Staff	497,690	165,618	-	-	663,308	1,062,357
Training and welfare	1,238	648	-	-	1,886	4,273
Rent, rates and insurance	33,123	37,588	-	-	70,711	73,044
Printing, stationery and communication	51,682	32,270	-	-	83,952	73,077
Legal and professional	-	67,316	-	-	67,316	47,502
Audit	-	-	12,412	-	12,412	12,033
Research, marketing and advertising	-	76,710	-	-	76,710	70,526
Office	28	60,463	37,598	(8,000)	90,089	106,698
Bank charges	-	2,363	-	-	2,363	2,605
Trustees' costs	-	-	20,775	-	20,775	20,572
Depreciation	55,075	28,849	3,496	-	87,420	87,352
	<u>1,313,992</u>	<u>476,984</u>	<u>74,281</u>	<u>(8,000)</u>	<u>1,857,257</u>	<u>3,016,329</u>

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

Analysis of total resources expended (continued)

	Unrestricted funds 2013 £	Unrestricted funds 2012 £
Auditor's remuneration		
Audit fee	12,412	12,033
Depreciation and impairment	<u>87,420</u>	<u>87,352</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 £19,800 (2012 - £19,800) M Esam received consultancy fees during the year amounting to £2,000 (2012 - £nil) No other Trustees either received or waived any emoluments during the year No pension contributions were paid for any Trustees

1 (2012 - 1) Trustee received reimbursement for their travel expenses amounting to £565 (2012 - £772)

5 Staff costs

	Unrestricted funds 2013 £	Unrestricted funds 2012 £
Wages and salaries	716,862	1,121,476
Social security costs	83,728	109,746
Pension costs		
- current service cost	44,997	66,000
- contributions	<u>15,097</u>	<u>2,047</u>
	<u>860,684</u>	<u>1,299,269</u>

The average number of employees during the year was

	2013 Number	2012 Number
Charitable activities	7	9
Management and administration	<u>9</u>	<u>11</u>
	<u>16</u>	<u>20</u>

Staff costs (continued)

The emoluments of higher paid employees fell within the following ranges

	2013 Number	2012 Number
£90,001 to £100,000	1	-
£100,001 to £110,000	-	1
£110,001 to £120,000	2	1
£130,000 to £140,000	1	-
£140,001 to £150,000	-	1
£170,000 to £180,000	-	2

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

	2013 £	2012 £
Pension contributions to defined benefit scheme	31,826	46,898
Pension contributions to defined contribution scheme	7,418	7,318
	39,244	54,216

During the year, 2 (2012 - 3) higher paid employees participated in the defined benefit scheme and 2 (2012 - 2) higher paid employee participated in the defined contribution scheme

6 Tangible fixed assets

	Freehold property £	Fixtures, fittings and equipment £	Total
Cost			
At 1 April 2012	1,870,096	254,997	2,125,093
Additions	-	13,151	13,151
At 31 March 2013	1,870,096	268,148	2,138,244
Depreciation			
At 1 April 2012	88,404	100,302	188,706
Charge for the year	41,273	46,147	87,420
At 31 March 2013	129,677	146,449	276,126
Net book amount at 31 March 2013	1,740,419	121,699	1,862,118
Net book amount at 31 March 2012	1,781,692	154,695	1,936,387

7 Investments

	Investment in related company £
Cost	
At 31 March 2013 and at 1 April 2012	<u>10</u>

8 Debtors

	2013 £	2012 £
Trade debtors	101,620	137,342
Amounts owed by associated undertakings	4,123	-
Prepayments and accrued income	43,674	38,536
	<u>149,417</u>	<u>175,878</u>

9 Creditors: amounts falling due within one year

	2013 £	2012 £
Bank loans	43,532	38,484
Trade creditors	71,317	287,364
Taxation and social security	37,022	28,532
Other creditors	10,351	3,866
Pension contributions	8,354	11,585
Accruals	96,916	439,382
Deferred income	-	919,476
	<u>267,492</u>	<u>1,728,689</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

	2013 £	2012 £
Bank loans	<u>615,422</u>	<u>661,533</u>

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

11 Borrowings

Borrowings are repayable as follows

	2013 £	2012 £
Within one year		
Bank loans	43,532	38,484
After one and within two years		
Bank loans	45,871	41,506
After two and within five years		
Bank loans	152,831	139,024
After five years		
Bank loans	<u>416,720</u>	<u>481,003</u>
	<u>658,954</u>	<u>700,017</u>

12 Financial commitments

At 31 March 2013 the charitable company has annual commitments under non-cancellable leases as follows

	Land and buildings 2013 £	Other 2013 £	Land and buildings 2012 £	Other 2012 £
Expiry date				
Less than one year	-	705	-	1,860
Two to five years	-	17,598	-	12,186
	<u>-</u>	<u>17,598</u>	<u>-</u>	<u>12,186</u>

The charitable company had no capital commitments as at 31 March 2013 or at 31 March 2012

13 Related parties

EMLC owns 14% of the ordinary share capital of Third Wave Enterprises Limited. The following transactions were noted during the year:

	2013 £	2012 £
Rent recharged	-	13,500
Income from Master trading Agreement	9,253	10,517
Dividend income from 'B' ordinary share held	28,000	18,440
Salaries and overheads recharged to Third Wave Enterprises Limited	222,371	190,095
Consultancy paid to Third Wave Enterprises Limited	32,400	-
Owed by Third Wave Enterprises Limited	20,749	-
Owed to Third Wave Enterprises Limited	15,600	-

EMLC is a sponsor of EMLC Academy Trust. The following transactions were noted during the year:

	2013 £	2012 £
Management fee charged to EMLC Academy Trust	51,878	-
Donation to EMLC Academy Trust	30,000	-
Owed by EMLC Academy Trust	4,123	-

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 £15,097 (2012 - £2,047).

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 2012/2013 the charitable company paid an employer's contribution of £37,163 plus an additional contribution of £206,833 towards funding the deficit (2012 - £205,000) representing 124% 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 credit method. The most recent actuarial valuation of the scheme was at 31 March 2010 which showed that the value of those assets was sufficient to cover 73% 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 51.5% in the year ending 31 March 2011 to 19.7% for the three years from April 2011.

The valuation has been updated to 31 March 2013 by a qualified independent actuary using revised assumptions that are consistent with the requirements of FRS 17.

Financial statements for the year ended 31 March 2013

Pensions (continued)

The principal actuarial assumptions used by the actuary were as follows

	2013 %	2011 %
Discount rate	4.5	4.8
Expected return on plan assets at 31 March	5.2	5.5
Rate of increase in pensionable salaries	5.1	4.8
Rate of increase in pensions in payment	2.8	2.5
Inflation assumption	2.8	2.5

The expected return on plan assets is 5.7% (2012 – 6.8%) which is based on Trustees best estimate of overall rate of return. Major categories of plan assets were as under

	2013 %	2011 %
Equities	5.8	6.2
Bonds	3.5	3.5
Property	3.9	4.4
Cash	3.0	3.5

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.

Defined benefit scheme (continued)

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

	2013 £'000	2011 £'000
Current service cost less employee contribution	46	66
Interest on obligation	110	123
Expected return on plan assets	(118)	(133)
Total	38	56

The amounts charged or credited in the wages and salaries charge were £245,000 (2012 - £300,000)

The amounts recognised in the balance sheet are as follows

	2013 £'000	2011 £'000
Fair value of plan assets	2,534	2,054
Present value of funded retirement benefit obligations	(2,538)	(2,295)
Deficit at 31 March	(4)	(241)

Pensions (continued)

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

	2013 %	2011 %
Equities	73	71
Bonds	22	21
Property	5	6
Cash	-	2

The actual return on plan assets was as follows

	2013 £'000	2011 £'000
Actual return on plan assets	309	36

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

	2013 £'000	2011 £'000
Opening defined benefit liabilities at 1 April	2,295	2,277
Contribution by members	14	19
Current service cost	46	66
Interest cost	110	123
Actuarial gains/(losses)	160	(27)
Benefits paid	(87)	(163)
Closing defined benefit liabilities at 31 March	<u>2,538</u>	<u>2,295</u>

Defined benefit scheme (continued)

Changes in the fair value of plan assets are as follows

	2013 £'000	2011 £'000
Opening fair value of plan assets at 1 April	2,054	1,905
Expected return	118	133
Actuarial gains/(losses)	190	(98)
Contributions by employer	245	258
Contributions by plan participants	14	19
Benefits paid	(87)	(163)
Closing fair value of plan assets at 31 March	<u>2,534</u>	<u>2,054</u>

Pensions (continued)

Amounts for the current and previous four periods are as follows

	2013	2012	2010	2009	2008
	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets at 31 March	2,534	2,054	1,905	1,855	1,281
Present value of defined benefits obligation at 31 March	(2,538)	(2,295)	(2,277)	(2,453)	(1,806)
Deficit in the plan	(4)	(241)	(372)	(598)	(525)
Experience adjustments arising on plan assets	190	(98)	(64)	399	(472)
Experience adjustments arising on plan liabilities	2	(12)	111	-	-