

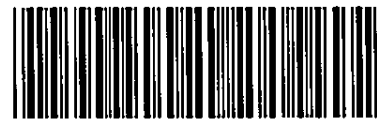


Grant Thornton

Consolidated Financial Statements EMLC

For the year ended 31 March 2009

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Company No. 4813638
Charity No. 1101512

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Company information

Chairman: Mr G Gyte

Trustees: Mr D J Bateson
Dr G Berwick (appointed 5 July 2008)
Mr M S Eaves (appointed 27 April 2008)
Mr E J Hayes
Dr M D Sanderson *
Mr B Sangha (retired 10 June 2009)

Company Secretary: Ian Jeffery

The Executive:

- **Chief Executive** Jan Marshall
- **Deputy Chief Executive** Rob Bollington
- **Business Development** Jane Thomas
- **Commercial** Ian Jeffery

Registered office: 36 Duncan Close
Moulton Park
NORTHAMPTON
NN3 6WL

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

(* Chair of Finance and HR Committee).

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 and making a difference to children's lives.

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.

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 group. In addition, each new Trustee is supplied with a handbook which contains the policies of the charitable group together with its strategic plan.

Trustees take part in staff update days and attend candidate based activities.

Organisation

The Board of Trustees administers the charitable group. The Board meets quarterly and there are two sub-committees covering policies and finance together with human resources. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charitable group. 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

The charitable group has continued to strengthen its infrastructure with the appointment of more operational staff together with the introduction of additional policies and procedures. A risk management policy is in place which incorporates an annual review of the risks the charitable group may face. 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 group designed to promote leadership in education. The charitable group works closely with Local Authorities, universities, schools, NGPBs, and private organisations with an interest in leadership development and some of these organisations are represented on the Board of Trustees.

The objects of the charitable group 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'.

Currently there is much emphasis being placed on the importance of leadership development for all levels of school leadership. EMLC enjoys close links with major organisations involved in school leadership matters including the Department for Children, Schools and Families (DCSF), National College for School Leadership (NCSL) and the Training and Development Agency (TDA) and Local Authorities (LAs) through its contracts to deliver leadership programmes.

The charitable group has strong links with other organisations involved in leadership matters and meets with them on a regular basis.

The charitable group continues to develop its own leadership programmes and activities and has a policy of bidding for relevant contracts for leadership development. We are committed to a process of research and needs identification, design and delivery.

Our values

At the heart of our values is a commitment to working collaboratively and in partnership. We believe in distributed leadership within a framework of clear aims and individual accountability. We are committed to working with our partners to make a real difference to leadership development.

EMLC exists to:

- Provide coherence for leadership development
- Support world class leadership in schools
- Respond to changing needs
- Deliver increased leadership understanding and transform leadership in schools

Leading to:

- Excellent, motivated individuals leading schools with all the support they want and need

So delivering:

- Radical improvements in education.

Increasingly the group is closely involved in activities with schools which raise the standards of pupil achievement. The group holds the aspiration that the gap of achievement for children in poverty is too wide and conducts a variety of work in schools to help close this.

Achievements and performance

We work to contribute to the effectiveness of leadership in education in order to close the achievement gap of all pupils.

Our clients

In 2008/2009 the charitable group worked with schools, universities and LAs, and national and local organisations to take the leadership development agenda forward. Our major clients were NCSL, DCSF, TDA and LAs across England and the participants on our leadership programmes and activities.

Specific activities

Programmes and courses delivered during the year are as follows:

NPQH

(National Professional Qualification for Headship) - this programme generated over 350 candidates during the year. The programme provides training and development for people aiming to become heads. It includes assessment procedures designed to test readiness for headship and is now mandatory for new head teachers. 2008/9 saw the start of the new NPQH model. The charity has a national contract to deliver the assessment element of this contract. The pilot saw 137 people complete this process in the latter part of 2008/9. NPQH is an important element of the programme of school improvement which in turn impacts on the life chances of pupils by enhancing the leadership skills of the country's headteachers.

CSBM and DSBM

This contract provides us with the opportunity to support the new models of school leadership as they emerge; the school business manager's role has massive potential for supporting and delivering excellence in schools, not just through relieving head teachers of non-teaching duties but also through helping drive fundamental improvements to school business systems. The School business managers prove a significant benefit to the school in enabling them to run more effectively as they go through a period of change and modernisation. Through this contract we are developing better training and development for business school managers to ensure they have the relevant skills to support the changing school environment. During the year we had 80 participants on the CSBM programme and 48 on the DSBM programme.

LftM

(Leading from the Middle) - this is a three-term professional development programme for small teams of subject leaders in primary, secondary and special schools. The programme offers a blended learning experience by including a range of face-to-face sessions, online activities and a school-based project, to deliver its aims. During the year we had approximately 440 participants. The participants on this programme have direct contact with pupils and have the influence to make a difference to their lives.

Training Development Agency for schools Regional Centre for the East Midlands

This contract for the TDA Regional Centre provides support for local authorities, communities, voluntary sector and schools to ensure all children and young people achieve their full potential. We work closely with schools and local authorities to make certain there is high quality teaching and learning in all classrooms by securing a sufficient supply of effective teachers. In addition we work with parents, families schools and communities to make available extended services that make life changing differences to pupils and narrow the gap in achievement for vulnerable groups. *'TDA regional team facilitate a range of networks to enable sharing of good practice and emerging thinking also providing significant yet supportive challenge to enable local perspective to be delivered through national priorities and agenda'* - from LA Lead

City & Guilds

EMLC is a City & Guilds accredited Assessment Centre for the Programme for Specialist Leaders of Behaviour and Attendance. There are a growing number of specialists in this area of work. Candidates are drawn from varied settings encompassing mainstream and special schools, primary and secondary settings and from support services. During the year 76 candidates engaged on this programme. Research has shown that where positive strategies are in place for good behaviour and attendance pupils will be more successful in reaching the required standards of achievement.

Early Headship Provision (EHP)

We offer this provision across the East, East Midlands and West Midlands. This is a flexible grant based provision designed to help new head teachers access activities which relate to their own development needs. The group has offered personal coaching to new headteachers with a focus on ensuring every pupil achieves what they are capable of.

New Visions

This programme is part of the EHP activity and as such is aimed at recently appointed head teachers. We attracted 558 candidates during the year under review. The programme provides the opportunity for school leaders to learn as members of communities of practice and hence offers a means of engaging with, learning from and contributing to the practice of other new heads.

Established Leaders

This is a specialist programme which we designed for the National College for School Leadership and is tailored to the needs of senior staff in Catholic schools. This is an example of the personalisation of provision to school leaders. The programme provides an exciting opportunity to engage in high quality and highly relevant leadership development. We have worked with colleagues from the Catholic sector on the design of the programme to ensure it meets the needs of deputies, assistant heads and other experienced school leaders in Catholic schools.

Leadership Pathways

EMLC is providing Leadership Pathways on behalf of NCSL in the East Midlands and the East. Leadership Pathways offers flexible, continuing professional development that school leaders can personalise to their needs. The programme sits between Leading from the Middle and NPQH and is ideal for experienced school leaders moving towards senior leadership. This provision attracted 670 candidates during the year. In addition the charity has been involved in designing and delivering certain specialised units in respect of this activity.

Teaching and Learning

These programmes feature face to face training sessions which are linked to action planning focussed on school improvement priorities. Within this there is an intensive focus on improving teaching and learning within schools, which will lead to enhanced standards of pupil achievement.

Third Wave Enterprises Ltd

During the period the company worked with the TDA, Local Authorities and individuals providing a range of advisory and training services.

Performance against plans

We have continued to expand the work of the charity and consolidate its position as a national provider of leadership development activities. The charity has again been successful in winning bids and extending its range of services.

The pilot activities in respect of the redesigned NPQH provision were successful and this provision is now building up to its anticipated numbers.

School leaders have been supported by the provision of individual coaching, group training and self assessment tools. As well as supporting individual school leaders there has been work carried out with schools and groups of schools with a view to raising student achievement.

Financial review

Total incoming resources amounted to £3.901m (2008 - £3.997m) with costs expended of £3.737m (2008 - £3.646m).

Whilst the charitable group operated profitably, generating an operating surplus of £164k, unfortunately there was a deficit of £65k in the FRS 17 disclosure calculations.

The charitable group is not required to pay the deficit directly but will, and is able, to pay into the fund the pre-set annual contributions. The pension scheme is administered, as a multi-employer scheme by local government.

The Trustees accept that the reported deficit disclosure is an accounting requirement of Financial Reporting Standard 17: Retirement Benefits (FRS 17) but are encouraged to note that the true underlying deficit (based on an Actuarial Report as at 31 March 2007) amounts to a significantly lesser amount of £184k.

The group continues to diversify its activities and has increased its infra-structure in order to ensure that it is able to sustain activities into the future.

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 group in such investments as may be thought fit. Surplus funds are held in interest bearing accounts as the Trustees wish to keep funds liquid.

Reserves policy

It is the long term policy of the charitable group to work towards unrestricted funds which are the free reserves of the charitable group at a level which equates 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 2009 free reserves stood at £1,596k (unrestricted funds excluding fixed assets and pension liability).

Future plans

By promoting, regionally, nationally or internationally, improving and developing education leadership in schools, local authorities and other organisations, in order to meet our primary objectives, the advancement of education, it is our intention during the year 2009/2010 to put in place the following:

- Consolidate and expand our position as a national provider
- Extend the range and variety of services provided
- Review recent initiatives published by the DCSF and incorporate these into our activities
- Review client need and expectation in light of the changing education agenda and ensure that we are responsive to these changing needs
- Establish the charity in its new premises.

Responsibilities of the Trustees for the financial statements

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 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 the affairs of the charitable group and the incoming resources and application of resources of the charitable group for the year. 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 accounting standards and statements of recommended practice 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 group will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements for the year ended 31 March 2009

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable group'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 on the charitable group'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 group's aims and objectives and in planning future activities for the year.

Donations

Donations to charitable organisations amounted to £1,650 (2008 - £500).

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with Section 385 of the Companies Act 1985.

Exemption statement

The report of the Trustees has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 11 September 2009 and signed on its behalf by:



G Gyte
Chairman



Report of the independent auditor to the members of EMLC

We have audited the financial statements of the group and the charitable company of EMLC for the year ended 31 March 2009 which comprise the principal accounting policies, the consolidated statement of financial activities, the consolidated balance sheet, the charitable company balance sheet and notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

The Trustees are also the directors of EMLC for the purposes of company law. Their responsibilities for preparing the Trustees' report and the financial statements in accordance with United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Trustees' responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable group's circumstances, consistently applied and adequately disclosed.



Report of the independent auditor to the members of EMLC

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

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the charitable company's affairs as at 31 March 2009 and of the group's 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 information given in the Trustees' Report is consistent with the financial statements for the year ended 31 March 2009.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Kettering 18 September 2009

Principal accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). 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 1985.

Basis of consolidation

These financial statements consolidate the results of the charitable company and its wholly owned subsidiary, Third Wave Enterprises Limited, on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented by the charitable company itself following the exemptions afforded by Section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

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 group is entitled to the exemption from preparing a cash flow statement.

Fund accounting

Other 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 group and which have not been designated for other purposes.

Incoming resources

All incoming resources are included with the SOFA when the charitable group 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.

Stock

Stock is stated at the lower of cost and net realisable value.

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	25% straight line
Fixtures and fittings	25% 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 lead to any prior period adjustment.

Consolidated statement of financial activities (including income and expenditure account)

	Note	Unrestricted funds Group total 2009 £	Unrestricted funds Group total 2008 £
Incoming resources			
Incoming resources from charitable activities	1	3,301,798	3,829,410
Activities for generating funds :			
Commercial trading operations	2	513,118	33,474
Investment income	3	86,155	133,747
		<u>3,901,071</u>	<u>3,996,631</u>
Total incoming resources			
Resources expended			
Costs of generating funds:			
Commercial trading operations		492,813	49,549
Charitable activities		3,158,917	3,523,134
Governance costs		85,676	86,531
Finance costs		-	(13,000)
		<u>3,737,406</u>	<u>3,646,214</u>
Total resources expended	4		
Net incoming resources before other recognised gains and losses and net income and expenditure		163,665	350,417
Corporation tax chargeable on trading activities		(3,224)	-
Other recognised gains and losses			
Actuarial losses on defined benefit pension scheme		(65,000)	(263,000)
		<u>95,441</u>	<u>87,417</u>
Net movement in funds			
Balance at 1 April 2008		1,033,282	945,865
Balance at 31 March 2009		<u>1,128,723</u>	<u>1,033,282</u>

All of the activities of the charitable group are classed as continuing.

There were no other recognised gains or losses in the year.

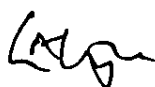
The accompanying accounting policies and notes form part of these financial statements.

Consolidated balance sheet

	Note	Group total 2009		Group total 2008	
		£	£	£	£
Fixed assets					
Tangible assets	7		57,518		93,381
Current assets					
Stocks		-		3,000	
Debtors	9	990,470		583,098	
Cash at bank and in hand		2,439,662		2,096,382	
		<u>3,430,132</u>		<u>2,682,480</u>	
Creditors: amounts falling due within one year	10	<u>(1,833,927)</u>		<u>(1,282,579)</u>	
Net current assets			1,596,205		1,399,901
Pension deficit	14		<u>(525,000)</u>		<u>(460,000)</u>
Total assets after pension deficit			<u>1,128,723</u>		<u>1,033,282</u>
Funds					
Unrestricted funds:					
Other charitable funds			<u>1,128,723</u>		<u>1,033,282</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Trustees on 11 September 2009 and signed on their behalf by:



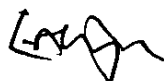
G Gyte
Chairman

Charitable company balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	7	48,942	44,131
Investments	8	<u>1</u>	<u>1</u>
		48,943	44,132
Current assets			
Debtors	9	832,607	606,361
Cash at bank and in hand		<u>2,410,865</u>	<u>2,080,210</u>
		3,243,472	2,686,571
Creditors: amounts falling due within one year	10	<u>(1,639,701)</u>	<u>(1,221,347)</u>
Net current assets		1,603,771	1,465,224
Pension deficit	14	<u>(525,000)</u>	<u>(460,000)</u>
Total assets after pension deficit		<u>1,127,714</u>	<u>1,049,356</u>
Funds			
Unrestricted funds:			
Other charitable funds		<u>1,127,714</u>	<u>1,049,356</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Trustees on 11 September 2009 and signed on their behalf by:



G Gyte
Chairman

Notes to the financial statements

1 Activities in furtherance of the charitable company's objects

	Group Unrestricted funds 2009 £	Group Unrestricted funds 2008 £
Incoming resources from charitable activities		
Programmes and activities	<u>3,301,798</u>	<u>3,829,410</u>

2 Activities for generating funds

	Group Unrestricted funds 2009 £	Group Unrestricted funds 2008 £
Trading activities	<u>513,118</u>	<u>33,474</u>

3 Investment income

	Group Unrestricted funds 2009 £	Group Unrestricted funds 2008 £
Bank interest receivable	<u>86,155</u>	<u>133,747</u>

4 Analysis of total resources expended

	Charitable activities	Activities for	Governance	Finance	Group	Group
	Direct	Support	costs	costs	Unrestricted	Unrestricted
	£	£	£	£	funds	funds
					2009	2008
					£	£
Subsidiary company commercial trading	-	-	-	-	492,813	49,549
Delivery of services	1,600,200	-	-	-	1,600,200	1,934,632
Travel	42,754	19,292	-	-	62,046	42,479
Staff	768,683	355,336	49,875	-	1,173,894	1,070,372
Training and welfare	6,950	26,827	-	-	33,777	55,456
Rent, rates and insurance	28,422	37,927	-	-	66,349	70,681
Printing, stationery and communication	61,152	4,724	-	-	65,876	76,718
Legal and professional	-	22,975	-	-	22,975	44,021
Audit	-	-	9,821	-	9,821	8,813
Research, marketing and advertising	89,731	25,185	-	-	114,916	179,887
Office	8,339	27,684	-	-	36,023	46,649
Bank charges	-	2,363	-	-	2,363	2,107
Trustees' costs	-	-	25,089	-	25,089	18,786
Depreciation	17,176	13,197	891	-	31,264	46,064
	<u>2,623,407</u>	<u>535,510</u>	<u>85,676</u>	<u>-</u>	<u>3,737,406</u>	<u>3,646,214</u>

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

Analysis of total resources expended (continued)

	Group 2009 £	Group 2008 £
Auditor's remuneration:		
Audit fee	9,820	8,813
Depreciation and impairment - group	<u>65,000</u>	<u>46,064</u>

5 Trustees' remuneration

The Chair of Trustees received remuneration, as permitted by the memorandum of association, in respect of professional services amounting in total to £19,284 (2008 - £15,565). In addition, the Chair of the Finance - Human Resources Committee also received remuneration of £5,000 (2008 - £2,500). No other Trustees neither received nor waived any emoluments during the year.

Four/(2008 - four) Trustees received reimbursement for their travel expenses amounting to £807 (2008 - £720).

6 Staff costs

	Group 2009 £	Group 2008 £
Wages and salaries (including tutors)	1,628,528	1,597,382
Social security costs (including tutors)	168,728	164,223
Pension costs		
- current service cost	76,000	41,000
- contributions	32,908	24,062
- past service costs/settlements	-	23,000
	<u>1,906,164</u>	<u>1,849,667</u>

The average number of employees during the period was:

	Group 2009 Number	Group 2008 Number
Charitable activities	46	45
Management and administration	<u>7</u>	<u>5</u>
	<u>53</u>	<u>50</u>

The staff numbers above comprise 23 core members of staff together with facilitators, assessors, designers and others with expert knowledge who work on an as required basis. This pool comprises 400 people and the figures above represent an average utilization from the pool over the year.

Financial statements for the year ended 31 March 2009

Staff costs (continued)

The emoluments of higher paid employees fell within the following ranges:

	Group 2009 Number	Group 2008 Number
£60,001 to £70,000	1	1
£70,001 to £80,000	1	-
£80,001 to £90,000	-	-
£90,001 to £100,000	-	-
£110,001 to £120,000	-	3
£120,001 to £125,000	3	-
£130,001 to £140,000	-	1
£140,001 to £142,000	1	-

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

	Group 2009 £	Group 2008 £
Pension contributions to defined benefit scheme	76,318	39,534
Pension contributions to defined contribution scheme	18,802	8,941
	<u>95,120</u>	<u>48,475</u>

During the year, 3 (2008 - 3) higher paid employees participated in the defined benefit scheme and 3 (2008 - 1) higher paid employee participated in the defined contribution scheme.

7 Tangible fixed assets

	Group Fixtures, fittings and equipment £	Charitable company Fixtures, fittings and equipment £
Cost		
At 1 April 2008	254,907	205,657
Additions	29,137	27,076
At 31 March 2009	<u>284,044</u>	<u>232,733</u>
Depreciation		
At 1 April 2008	161,526	161,526
Charge for the year	25,000	22,265
Impairment	40,000	-
At 31 March 2009	<u>226,526</u>	<u>183,791</u>
Net book amount at 31 March 2009	<u>57,518</u>	<u>48,942</u>
Net book amount at 31 March 2008	<u>93,381</u>	<u>44,131</u>

Financial statements for the year ended 31 March 2009

8 Investments

Charitable company

	2009 £	2008 £
Additions and net book value at 31 March 2009	<u>1</u>	<u>1</u>

At 31 March 2009 the charitable company held more than 20% of the allotted share capital of the following:

	Country of incorporation	Class of share capital held	Proportion held by the charity	Nature of business
Third Wave Enterprises Limited	England	Ordinary	100%	Training

The trading results for the period to 31 March 2009, as extracted from the audited financial statements, are summarised below:

	2009 £	2008 £
Turnover	513,118	33,474
Cost of sales	<u>246,585</u>	<u>25,120</u>
Gross profit	266,533	8,354
Administration expenses	<u>(246,228)</u>	<u>(24,429)</u>
Profit/(loss) on ordinary activities before taxation	20,305	(16,075)
Corporate tax	<u>(3,224)</u>	<u>-</u>
Profit/(loss) on ordinary activities transferred to reserves	<u>17,081</u>	<u>(16,075)</u>

The charitable company has taken advantage of Section 230 of the Companies Act 1985 and paragraph 397 of the SORP and has not included its own profit and loss account in these financial statements. The charitable company's surplus for the year was £78,358 (after £65k pension provided re FRS 17) (2008 - surplus £103,492 as restated).

9 Debtors

	Charitable group		Charitable company	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	716,026	472,965	514,402	442,387
Other debtors	171,766	44,911	168,064	44,911
Prepayments and accrued income	<u>102,678</u>	<u>65,222</u>	<u>102,678</u>	<u>54,955</u>
	990,470	583,098	785,144	542,253
Amounts owed by subsidiary company	<u>-</u>	<u>-</u>	<u>47,463</u>	<u>64,108</u>
	<u>990,470</u>	<u>583,098</u>	<u>832,607</u>	<u>606,361</u>

10 Creditors: amounts falling due within one year

	Charitable Group		Charitable company	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	230,307	223,725	187,585	223,725
Amounts due to group undertakings	-	-	52,000	-
Taxation and social security	61,658	41,995	43,584	41,995
Other creditors	127,674	70,899	127,674	60,894
Accruals	285,696	393,387	231,449	382,187
Deferred income (see below)	1,128,592	552,573	997,409	512,546
	<u>1,833,927</u>	<u>1,282,579</u>	<u>1,639,701</u>	<u>1,221,347</u>
Deferred income				
Balance at 1 April 2008	512,546	893,552	512,546	893,552
Amount released to incoming resources	(3,008,528)	(3,307,019)	(2,695,821)	(3,307,019)
Transfer to debtors	(23,956)	25,459	(23,956)	25,459
Amount deferred in the year	<u>3,648,530</u>	<u>2,900,554</u>	<u>3,204,640</u>	<u>2,900,554</u>
Balance at 31 March 2009	<u>1,128,592</u>	<u>512,546</u>	<u>997,409</u>	<u>512,546</u>

11 Financial commitments

At 31 March 2009 the charitable group has annual commitments under non-cancellable leases as follows:

	Land and buildings	Other	Land and buildings	Other
	2009	2009	2008	2008
	£	£	£	£
Expiry date:				
Less than one year	26,348	-	52,875	-
Two to five years	<u>-</u>	<u>19,112</u>	<u>-</u>	<u>-</u>

The charitable group had no capital commitments as at 31 March 2009 or at 31 March 2008.

12 Related parties

There were no related party transactions during the year.

13 Pensions - defined contribution scheme

The charitable group 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 group. Pension costs in the year amounted to £32,908 (2008 - £24,062).

14 Pensions**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 2008/2009 the Trust paid an employer's contribution of £76,000 (2008 - £47,000) representing 420% 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 2009 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:

	2009 %	2008 %
Discount rate	6.9	6.1
Expected return on plan assets at 31 March	6.4	7.2
Rate of increase in pensionable salaries	4.6	5.1
Rate of increase in pensions in payment	3.1	3.6
Inflation assumption	3.1	3.6

The expected return on plan assets is 6.4% (2008 7.1%) which is based on trustees best estimate of overall rate of return. Major categories of plan assets were as under:

	2009 %	2008 %
Equities	7.0	7.5
Bonds	5.4	5.3
Property	4.9	6.5
Cash	4.0	5.3

Mortality assumptions: In relation to life expectancy it is assumed that for a man who has reached pensionable age that life expectancy is age 86.1 and for females, age 89. 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 2009

Pensions (continued)

Defined Benefit Scheme (continued)

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

	2009 £'000	2008 £'000
Current service cost less employee contribution	70	41
Interest on obligation	126	58
Expected return on plan assets	(114)	(71)
Past service cost	-	23
Total	<u>82</u>	<u>51</u>

The amounts recognised in the balance sheet are as follows:

	2009 £'000	2008 £'000
Fair value of plan assets	1,281	1,576
Present value of funded retirement benefit obligations	<u>(1,806)</u>	<u>(2,036)</u>
Deficit at 31 March	<u>(525)</u>	<u>(460)</u>

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

	2009 %	2008 %
Equities	70	74
Bonds	19	17
Property	7	7
Cash	4	12

The actual return on plan assets was as follows:

	2009 £'000	2008 £'000
Actual return on plan assets	(352)	(56)

Financial statements for the year ended 31 March 2009

Pensions (continued)**Defined Benefit Scheme (continued)**

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

	2009 £'000	2008 £'000
Opening defined benefit liabilities at 1 April	2,036	1,059
Contribution by members	19	15
Current service cost	70	41
Interest cost	126	58
Actuarial (losses)/gains	(413)	864
Past service costs	-	23
Benefits paid	(32)	(24)
Closing defined benefit liabilities at 31 March	<u>1,806</u>	<u>2,036</u>

Changes in the fair value of plan assets are as follows:

	2009 £'000	2008 £'000
Opening fair value of plan assets at 1 April	1,576	1,086
Expected return	114	71
Actuarial gains/losses	(472)	380
Contributions by employer	76	47
Contributions by plan participants	19	15
Benefits paid	(32)	(23)
Closing fair value of plan assets at 31 March	<u>1,281</u>	<u>1,576</u>

Amounts for the current and previous four periods are as follows:

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Fair value of plan assets at 31 March	1,281	1,576	1,086	740	626
Present value of defined benefits obligation at 31 March	(1,086)	(2,036)	(1,059)	(972)	(871)
Deficit in the plan	(525)	(460)	(27)	(232)	(245)
Experience adjustments arising on plan assets	(472)	380	(12)	107	33
Experience adjustments arising on plan liabilities	-	(768)	(42)	(41)	-

15 Post balance sheet events

On 1 April 2009 control of Third Wave Enterprises was transferred to Pegasus 1 Limited.

On 9 July 2009 the company purchased property for £1,472,000. This has been funded by a loan of £250,000 payable over 15 years at 2.35% above LIBOR and a loan of £550,000 payable over 15 years at a fixed rate of 6.45% for the first 10 years.