



emlc

(A Charitable Company limited by guarantee)

Trustee's Report and Financial Statements

Year Ended 31 March 2018

Charitable company No: 1101512

Company No: 04813638

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EMLC
(A Charitable Company limited by guarantee)

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EMLC**(A Charitable Company limited by guarantee)****Reference and Administrative Details of the Charity, its Trustees and Advisers**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of EMLC (the company) for the year ended 31 March 2018.

The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements of the Charities Act 2011 and the Companies Act 2006, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Charitable company Number: 1101512

Company Number: 04813638

Registered Office and
Operational Address: Bridge House, Bridge Street
Olney, Buckinghamshire MK46 4AB

Auditors: RSM UK Audit LLP
Abbotsgate House, Hollow Road, Bury St Edmunds, IP32 7FA

Bankers: NatWest
41 The Drapery, Northampton, NN1 2EY

Solicitors: Winckworth Sherwood LLP
Minerva House, 5 Montague Close, London, SE1 9BB

Chief Executive Officer: Jan Marshall

Company Secretary: Sheila Cowley

Directors and Trustees

The Directors of the Charitable Company are its Trustees for the purpose of law and throughout this report are collectively referred to as the Trustees.

G Gyte - Chair	<i>(Resigned as Chair and Trustee 31 October 2017)</i>
W Adams	<i>(Resigned 12 October 2017)</i>
J Adams	
A Chew	
C Henry	<i>(Resigned 23 July 2018)</i>
R Briscoe - Chair	<i>(Appointed as Chair from 1 November 2017)</i>
R Moyse	

EMLC

(A Charitable Company limited by guarantee)

Report of the Trustees for the year ended 31 March 2018

Structure, governance and management

CONSTITUTION

EMLC is a charitable company limited by guarantee and governed by a Memorandum and Articles of Association. It is registered as a charity with the Charity Commission, registered charity number 1101512.

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 order to improve life chances for children'.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

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 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.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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. They also contribute their specific skills and expertise where appropriate to contribute to the design of new programmes and bid writing.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board of Trustees administers the charitable company. The Board meets at least three times per year and there is a sub-committee covering finance and human resource issues. A Chief Executive is appointed by the Trustees to strategically lead 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. A Managing Director was recruited in March 2018 through a robust and independent process to manage the day to day operations of the charitable company to support the 3-year strategic goals.

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Report of the Trustees for the year ended 31 March 2018

RISK MANAGEMENT

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company and are satisfied that systems and procedures are in place to mitigate exposure to major risks. Risks Management is an agenda item at both the Finance and Human Resources Committee (FHRC) and the Board of Trustees meetings. The key risks to EMLC are detailed below along with actions taken to mitigate those risks.

Key Risk	Mitigation
Reformed National Professional Qualifications (NPQ's) – delivered on behalf of the DfE. Failure to deliver recruitment metrics due to change in government funding specifically to the Opportunity Areas.	A marketing and sales team have been identified which will be led by the Managing Director. Some targets for cohort 1 were exceeded. As the reputation of EMLC becomes known for both high quality of delivery and assessment recruitment numbers will be achieved/recruited.
Introduction and application of GDPR is not compliant with legislation	A detailed plan was drawn up and a member of the senior leadership team allocated responsibility for ensuring the adoption of GDPR runs smoothly. A GDPR policy was approved by trustees in May 2018. GDPR was successfully implemented in May 2018 and is monitored by a named member of the Senior Executive.
Withdrawal of sponsorship from EMLC Academy Trust could be an excessive draw on resources	The senior leadership team ensured that staff were not distracted from their daily activities during the process. Donated resources including staff time reduced and ended during 2017. The separation of the two organisations completed successfully in July 2018. EMLC is now fully focused on developing a future successful business model.

Objectives and Activities

EMLC is a charity driven by a strong moral purpose that every child has a right to attend a school where there is outstanding leadership and teaching. We work in partnership with schools and their leaders to transform the lives of children and enhance their life chances. We have a common aspiration to provide world-class education for all children and young people.

OUR VISION

The vision of EMLC is to make a positive impact on children's lives through the development of brilliant school leadership. We work alongside our partners to fulfil our purpose towards a relentless focus on great leadership in world class schools; this aligns with the EMLC vision for all schools to be the very best they can be for their children.

EMLC believes that it is exceptional leaders who transform schools and the lives of the pupils who attend them. It is good leadership – and particularly good leadership of teaching and learning – that makes the biggest difference to children's development.

Our vision is for EMLC to provide the highest quality service to our customers and to strive for excellence in everything we say and do.

OUR GOALS

To be recognised as the provider of choice for high quality school leadership development
To be the assessment organisation of choice by developing and delivering assessment services that position us as the national leader for educational assessment
To reposition ourselves within the market place and build resource in order to deliver our vision

PUBLIC BENEFIT

The Trustees have referred to the Charity Commission guidance on public benefit and ensure that all the activities of the charitable company contribute to its charitable objectives. This includes considerable donations to East Midlands Academy Trust (formerly EMLC Academy Trust) over the last five years.

Achievements and Performance

In order to achieve these objectives, we have developed an organisation with clear roles and accountabilities for each member of staff deployed to meet the objectives of EMLC. EMLC staff team are highly experienced in the delivery of both leadership development and assessment and have a track record of being able to exceed delivery demands of the contract to meet the requirements of DfE. In addition, we have developed a pool of highly experienced facilitators and assessors from across England who provide rigorous, robust and transparent training and assessment processes.

We are investing in an updated website with the facility to manage a significant part of the communication with participants in an automated way which will allow us to use our internal resource more efficiently and effectively. We aspire to attract more interest in the charitable company and its work by reviewing and upgrading our website, so it becomes a shop window which is fit for the marketing and delivery of new streams of work.

Goal 1: To be recognised as the provider of choice for high quality school leadership development
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In January 2018 EMLC became an accredited provider for the reformed National Professional Qualifications for Middle Leaders, Senior Leaders, Heads and Executive Principals. This involves both the delivery to and assessment of participants. In addition to this, as the nationally recognised leader for educational assessment (Goal 1) we have been approached by other accredited providers to perform the assessments on their behalf.

Goal 2: To be the assessment organisation of choice by developing and delivering assessment services that position us as the national leader for educational assessment
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EMLC continues to deliver the national contract 'Final Assessment of the Modular Leadership Curriculum' on behalf of the DfE: this is contracted until December 2018. The requirement covers the delivery of the assessment of levels 1 – 3 of the modular curriculum:

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 developing the leaders of the future who will improve the life chances of the children in their schools. In the year ended 31 March 2018, the charitable company assessed the following quantities of participants under each Qualification on behalf of the College:

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Report of the Trustees for the year ended 31 March 2018

Level	Number assessed
NPQML	2,679
NPQSL	2,554
NPQH (part 1)	1,332
NPQH (final)	994

Goal 3: To reposition ourselves within the market place and build resource in order to deliver our vision

Gaining accreditation to deliver as well as assess the reformed NPQs was the first step for EMLC toward repositioning itself once more as a leadership training provider and assessment centre. As part of the delivery, we have developed a number of masterclasses to be rolled out to NPQ participants as part of their training, and also to be delivered in schools not participating in the NPQs. Both aspects of delivery will commence later in 2018.

Other progress has been made and can be found in the section on future developments.

Financial review

Net expenditure for the year, before adjustments required for the pension scheme valuation, was (£123,624) (2017: net expenditure of (£26,558)).

Net movement in funds for the year including adjustments required for the pension scheme valuation was (£96,624) (2017: £230,442).

All funds are unrestricted funds. A property fund has been created to represent the sums expended on the property less accumulated depreciation and the mortgage value secured against the property. The value of the property fund at 31 March 2018 was £1,121,997 (2017: £1,107,411). A pension reserve within unrestricted funds represents the current LGPS pension scheme asset of £224,000 (2017: £215,000). At 31 March 2018 the charity had total funds of £1,836,956 (2017: £1,933,580). Note 17 has details of the make-up of these funds.

The principal income stream during the year ended 31 March 2018 was the 'Final Assessment of the Modular Leadership Curriculum' contract with the Department for Education (DfE). A key risk to EMLC was that the contract with DfE was due to finish in 2017. However, EMLC successfully bid for an extension to the contract, and the contract has been extended to December 2018. A number of other income streams are now being researched, developed and delivered.

INVESTMENT POLICY AND PERFORMANCE

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 as a leadership centre and encourages networking of both today's and tomorrow's school leaders.

RESERVES POLICY

The reserves policy is to hold unrestricted funds which are the free reserves of the charitable company which equate to not less than 6 months core overhead expenditure, currently estimated to be £500k, which will provide sufficient funds to cover management and administration and support costs required to continue the pursuit of additional contracts. The current unrestricted and undesignated free funds of £437,493 (2017: £556,406) are considered sufficient to fulfil this aim. The Trustees have set aside funds for the future planned growth and diversification of the charity.

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Report of the Trustees for the year ended 31 March 2018

REMUNERATION POLICY

EMLC is committed to the recruitment, retention and development of an effective workforce, who contribute to the success and growth of the business. The charitable company is committed to ensuring that members of staff, who excel in their role, should be recognised and rewarded. The charitable company, therefore, recognises that the use of a range of incentives is an important strategy for motivating staff, highlighting best practice and creating a culture of exceptional achievement.

The Trustees consider the Chief Executive, Managing Director and executive team as comprising the key management personnel of the charitable company in charge of directing and controlling the charitable company and running and operating the charitable company on a day to day basis.

The pay of all employees, including the Chief Executive and executive team, is benchmarked against an evaluation framework with a pay grading and banding structure to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Trustees give their time freely with the exception of the Chair of Trustees, as permitted by the memorandum of association. See Note 9 to the accounts for further detail on this remuneration.

RELATED PARTIES

EMLC holds a 14% share of the ordinary share capital of Third Wave Enterprises (TWE), a former national provider of outstanding school improvements. TWE ceased to trade at the end of March 2018, so from that date there will be no further transactions with this related party.

EMLC was also the founding sponsor for East Midlands Academy Trust (formerly EMLC Academy Trust), a multi-academy trust with academies in Milton Keynes and Northamptonshire. The Academy Trust now has a sustainable model therefore the charitable company has withdrawn its sponsorship in order to create a new direction for itself. The Academy Trust therefore ceased to be a related party from July 2018.

PRINCIPAL FUNDING

Currently, our principal source of funding is from the DfE (formerly National College of Teaching and Leadership, which was an executive arm of the DfE). We are however working towards amending our business model to explore opportunities from other working contracts.

DONATION

EMLC made donations to East Midlands Academy Trust (formerly EMLC Academy Trust) as follows in the year ended 31 March 2018:

- Expenses borne on behalf of the Academy Trust of £17,218
- Donation of strategic leadership and operational time valued at £72,993 in order to establish a sustainable infrastructure to ensure the Academy Trust can continue to improve the progress of the pupils in the Academies subsequent to EMLC's withdrawal of sponsorship and become a self-sustainable independent organisation which was planned for at its inception.

Plans for the future

The charitable company is continuously striving to increase the number of discrete income streams to provide diversification and avoid reliance upon just one. There are a number of programmes currently being designed and delivered as well as a pipeline of new initiatives which are constantly being researched and developed. These include new income generating projects and bids into grant funded projects. EMLC is actively investing resources in order to achieve a diversified and successful future. Those programmes which are currently being delivered or are ready to roll out are described below.

EMLC will continue to deliver Final Assessment for the unreformed National Professional Qualifications (NPQ's) on behalf of the DfE efficiently and effectively until February 2019.

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Report of the Trustees for the year ended 31 March 2018

EMLC is an accredited provider and assessor for the reformed NPQ's for Middle Leaders, Senior Leaders, Heads and Executive Leaders, and has been delivering these exciting new qualifications since early 2018. EMLC will also provide assessment services for other accredited providers that do not have the expertise to deliver this part of the qualification and has received the additional accreditation from the DfE to deliver the NPQ's internationally. The numbers of participants undertaking this will increase year on year.

EMLC has developed a number of masterclasses which will be delivered as part of the reformed NPQ's as well as being delivered to other customers not on the NPQ programme. These include Governance, Finance and Human Resources.

EMLC is also poised to roll out educational support and school improvement services, formerly delivered by its commercial sister company Third Wave Enterprises (TWE). EMLC owned a 14% investment in TWE until its closure in March 2018 and has retained the rights to deliver its programmes in schools, academies and multi academy trusts nationally.

After six successful years EMLC has fulfilled its vision of creating an independent multi academy trust and has relinquished its role as sponsor of East Midlands Academy Trust (formerly EMLC Academy Trust). The charity established the Academy Trust to positively impact the lives of young people. It has grown to incorporate seven academies, and its solid infrastructure means that it is now capable of operating sustainably without EMLC's ongoing support.

Since the Trust's inception, it has always been the vision of the EMLC trustees that the Academy Trust would become a self-sufficient and independent organisation. Leaders have been working to this end for a number of years and are delighted that the Academy Trust now has the capacity, robust policies and procedures and leadership in place to continue to deliver excellent outcomes for all students, parents and staff well into the future.

The charitable company and Academy Trust leaders have worked tirelessly in recent months to make sure that no student is affected by the change. EMLC has provided all of its intellectual property to the trust, supported its new leadership and funded an independent advisor to guarantee that the handover was seamless. The trust has since changed its name to East Midlands Academy Trust and has new articles of association and scheme of delegation.

EMLC will now focus its attention on its core objective, providing leadership services, solutions and qualifications to school leaders at all levels around the country. We have every confidence that we will develop as a robust charitable company offering leadership services well into the future.

Trustees' Responsibilities Statement

The Trustees (who are also the 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. 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to: -

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate 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.

Disclosure of Information to Auditors

Each of the persons who are Trustees at the time when this Trustee's Report is approved has confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that the Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Report of the Trustees has been prepared in accordance with the small company provisions.

This report was approved by the Trustees on...18/09/2018 and signed on their behalf by: -

R Briscoe
Chairman



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Independent Auditors' Report to the Members of EMLC for the year ended 31 March 2018

Opinion on financial statements

We have audited the financial statements of EMLC (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2018 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 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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Independent Auditors' Report to the Members of EMLC for the year ended 31 March 2018

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 and sufficient 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report on in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Laragh Jeanroy (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

24/09/2018

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Statement of Financial Activities (incorporating income and expenditure account)
For the year ended 31 March 2018

	Note	Unrestricted £	Total 2018 £	Total 2017 £
Income from:				
Other trading activities	2	418,593	418,593	386,280
Investments	3	5,111	5,111	11,529
Charitable activities	4	1,901,777	1,901,777	2,145,426
Total income		2,325,481	2,325,481	2,543,235
Expenditure on:				
Raising funds	5	399,702	399,702	362,224
Charitable activities	6	2,049,403	2,049,403	2,207,569
Total expenditure		2,449,105	2,449,105	2,569,793
Net (expenditure)/income before other gains and losses		(123,624)	(123,624)	(26,558)
Actuarial gains on defined benefit pension scheme	21	27,000	27,000	257,000
Net movement in funds		(96,624)	(96,624)	230,442
Reconciliation of funds:				
Total funds brought forward		1,933,580	1,933,580	1,703,138
Total funds carried forward		1,836,956	1,836,956	1,933,580

The notes on pages 14 to 30 form part of these financial statements.

	Note	2018		2017	
		£	£	£	£
Fixed assets					
Tangible fixed assets	11		1,592,174		1,632,589
Investments	12		10		10
Total fixed assets			1,592,184		1,632,599
Current assets					
Debtors	13	318,080		309,681	
Cash at bank and in hand	20	762,009		1,048,280	
Total current assets		1,080,089		1,357,961	
Liabilities					
Creditors falling due within one year	14	(687,420)		(827,746)	
Net current assets			392,669		530,215
Total assets less current liabilities			1,984,853		2,162,814
Creditors: amounts falling due after more than one year	15		(371,897)		(444,234)
Net assets excluding pension scheme liabilities			1,612,956		1,718,580
Defined benefit pension scheme asset/(liability)	21		224,000		215,000
Net assets including pension scheme liabilities			1,836,956		1,933,580
Charitable company Funds					
Unrestricted funds	17		1,836,956		1,933,580
Total funds			1,836,956		1,933,580

The financial statements were approved and authorised for issue by the Trustees on 18/09/2018 and signed on their behalf, by:

R Briscoe
Chairman



EMLC
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Cash flow statement for the year ended 31 March 2018

	Note	2018		2017	
		£	£	£	£
Net cash used in operating activities	19	(214,307)		(118,706)	
Cash flows from investing activities					
Dividends, interest and rents from investments		5,111		11,529	
Purchase of property, plant and equipment		(23,371)		(8,279)	
Cash used in investing activities		(18,260)		3,250	
Cash flows from financing activities					
Repayments of borrowings		(53,704)		(50,911)	
Net cash used in financing activities		(53,704)		(50,911)	
Change in cash and cash equivalents in the year		(286,271)		(166,367)	
Cash and cash equivalents brought forward		1,048,280		1,214,647	
Cash and cash equivalents carried forward	20	762,009		1,048,280	

The notes on pages 14 to 30 form part of these financial statements

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

EMLC meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company Status

The charitable company is a private company limited by guarantee, registered and incorporated in England. The members of the charitable company are the Trustees named on page 1. 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.

1.3 Fund Accounting

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

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

1.4 Going concern

The Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

1.5 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. In respect of the contract with the National College for Teaching and Leadership income is spread over the expected period of assessment.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1. ACCOUNTING POLICIES (CONTINUED)**1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company. Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

Costs of raising funds are costs incurred in trading activities that raise funds.

Charitable activities are costs incurred on the charitable company's educational operations, including support costs and costs relating to the governance of the charitable company apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.7 Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Derivatives, including interest rate swaps are not basic financial instruments.

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently re-measured at the fair value. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities in direct costs, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

1. ACCOUNTING POLICIES (CONTINUED)**1.8 Tangible Fixed Assets and Depreciation**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property	- 50 years straight line
Freehold improvements	- 20 years straight line
Fixtures and fittings	- 10 - 30 years straight line
Computer equipment	- 2 - 10 years straight line

1.9 Investments

Unlisted investments are stated at cost less any impairment at the balance sheet date.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.11 Cash at Bank and In Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and Provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1. ACCOUNTING POLICIES (CONTINUED)

1.13 Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

The charitable company also operates a defined benefit pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2015. The LGPS is a funded scheme and the assets are held separately from those of the charitable company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Actuarial gains and losses are recognised immediately in the Statement of Financial Activities, together with the return on plan assets, less amounts included in net interest.

1.14 Operating Leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

The charitable company makes the following key accounting estimates and assumptions:

Defined benefit pension scheme

The charitable company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations and expected future interest rates. The charitable company relies on actuarial advice in determining appropriate estimates for these factors. Further disclosure of these estimates and assumptions is provided within note 21.

The charitable company also must make the following key judgment in applying the entity's accounting policies:

Income from charitable activities

The income from final assessment programmes is not received in line with the provision of the services. As such the charitable company must judge the proportion of income received which would relate to the services provided at a later date, and also the proportion of income, if any, which will be received at a later date for services that have been provided. In doing this, the charitable company recognises income appropriate to the stage of completion of the contract, based on the recognised cost profile.

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****2. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Outsourcing and recharges of overheads	418,593	418,593	386,280

In 2017, all of the income from other trading activities was attributable to unrestricted funds.

3. INCOME FROM INVESTMENTS

	Unrestricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Bank interest receivable	211	211	2,191
Dividend income from investments	4,900	4,900	9,338
	5,111	5,111	11,529

In 2017, all of the investment income was attributable to unrestricted funds.

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Final assessment programmes	1,901,777	1,901,777	2,145,426

In 2017, all of the income from charitable activities was attributable to unrestricted funds.

5. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Staff costs	399,702	399,702	362,224

In 2017, all of the expenditure on raising funds was from unrestricted funds.

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****6. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2018 £	Support and governance costs 2018 £	Total 2018 £	Total 2017 £
Final assessment programmes	953,839	1,005,353	1,959,192	1,936,464
Sponsorship	90,211	-	90,211	271,105
	1,044,051	1,005,353	2,049,403	2,207,569

7. DIRECT COSTS

	Final Assessment £	Sponsorship £	Total 2018 £	Total 2017 £
Movement in swap valuation	(13,333)	-	(13,333)	(10,605)
Pension – net finance cost	(5,000)	-	(5,000)	2,000
Delivery of services	678,012	-	678,012	719,240
Travel	(41)	-	(41)	24,357
Training and welfare	3,318	-	3,318	12,534
Occupancy costs	47,204	-	47,204	48,902
Printing and stationery	20,885	-	20,885	22,439
Consultancy	22,897	-	22,897	39,688
Donation and expenses paid on behalf of EMLC Academy Trust	-	17,218	17,218	25,545
Wages and salaries	129,637	72,993	202,630	445,726
National Insurance	21,821	-	21,821	21,806
Pension cost	15,403	-	15,403	12,259
Depreciation	33,037	-	33,037	35,738
	953,839	90,211	1,044,051	1,339,629

In 2017, all of the direct costs were from unrestricted funds.

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****8. SUPPORT AND GOVERNANCE COSTS**

	General Support	Governance	Total 2018	Total 2017
	£	£	£	£
Travel	2,405	-	2,405	1,881
Training and welfare	5,421	-	5,421	5,186
Occupancy costs	47,204	-	47,204	48,902
Printing and stationery	13,924	-	13,924	14,960
Legal and professional	9,061	-	9,061	11,316
Auditors' remuneration	-	17,432	17,432	14,573
Governance fees	-	26,000	26,000	24,000
Research, marketing and advertising	59,873	-	59,873	59,447
Office costs	3,441	-	3,441	1,805
Finance costs	26,236	-	26,236	29,224
Trustees' expenses/meeting costs	-	2,181	2,181	7,920
IT costs	36,808	-	36,808	25,844
Irrecoverable VAT	(9,668)	-	(9,668)	(9,428)
Wages and salaries	612,489	-	612,489	415,416
National insurance	77,364	-	77,364	77,009
Pension cost	44,432	-	44,432	47,613
Depreciation	30,750	-	30,750	32,272
	959,740	45,613	1,005,353	807,940

In 2017, all of the direct costs were from unrestricted funds.

9. NET (EXPENDITURE)/INCOME

	2018	2017
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the charitable company	63,359	68,010
Auditor's remuneration – statutory audit	7,875	7,500
Auditor's remuneration – other services	2,625	3,055
Operating leases – non-property	30,692	32,316

Trustees' remuneration and reimbursement of expenses are disclosed in note 10.

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****10. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COSTS OF KEY MANAGEMENT PERSONNEL**

Staff costs were as follows: -

	2018 £	2017 £
Wages and salaries	1,151,298	1,170,952
Social security costs	140,092	134,366
Other pension costs	77,451	76,735
	<u>1,368,841</u>	<u>1,382,053</u>

The average number of persons employed by the charitable company during the year was as follows:

	2018 No.	2017 No.
Charitable activities	14	13
Management and administration	6	7
	<u>20</u>	<u>20</u>

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	2	-
In the band £140,001 - £150,000	2	3
In the band £160,001 - £170,000	1	1
	<u>6</u>	<u>6</u>

Staff costs for 2017-18 included employees working in part for EMLC Academy Trust thus increasing the total number of employees for that period.

Contributions of £19,749 (2017: £27,366) were payable to defined benefit schemes and £20,577 (2017: £17,250) made to defined contribution schemes in respect of higher paid employees.

The key management personnel of the charitable company comprise the Trustees, the Chief Executive Officer, Executive Director, Managing Director and the Finance Director. The total employment benefits including employer pension contributions of key management personnel were £538,704 (2017: £559,150)

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****10. STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COSTS OF KEY MANAGEMENT PERSONNEL (CONTINUED)**

Included within the above, are payments made to Trustees in the year. The Chair of Trustees received remuneration, as permitted by the Memorandum of Association, in respect of professional services amounting to £24,000 (2017: £24,000) of which £2,000 (2017: £2,000) was outstanding at year end.

No other Trustees received emoluments or benefits in kind during the year. No pension contributions were paid on behalf of any Trustees.

During the year 6 (2017: 4) Trustees received reimbursement of expenses amounting to £1,885 (2017: £1,621) in respect of reimbursement of travel, accommodation and subsistence costs. At the year-end £50 (2017: £582) was outstanding.

Included within wages and salaries is £Nil (2017: £30,000) relating to a termination payment for an employee.

11. TANGIBLE FIXED ASSETS

	Freehold property and improvements £	Fixtures and fittings £	Computer Equipment £	Total £
Cost				
At 1 April 2017	1,870,096	114,640	150,145	2,134,881
Additions	-	15,471	7,900	23,371
Transfer	-	304	(304)	-
Disposals	-	(2,807)	(6,327)	(9,134)
At 31 March 2018	1,870,096	127,608	151,414	2,149,118
Depreciation				
At 1 April 2017	292,260	71,490	138,542	502,292
Charge for the year	39,118	12,804	11,437	63,359
Transfer	-	281	(281)	-
Eliminated on disposals	-	(2,380)	(6,327)	(8,707)
At 31 March 2018	331,378	82,195	143,371	556,944
Carrying value				
At 31 March 2018	1,538,718	45,413	8,043	1,592,174
At 31 March 2017	1,577,836	43,150	11,603	1,632,589

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****12. FIXED ASSETS INVESTMENTS**

	Investments in participating interests £
COST	
At 1 April 2017 and 31 March 2018	10

13. DEBTORS

	2018 £	2017 £
Trade debtors	95,839	248,947
Amounts owed by undertakings in which the charitable company has a participating interest	184,684	33,951
Prepayments and accrued income	37,557	26,783
	<u>318,080</u>	<u>309,681</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts	56,577	51,277
Trade creditors	67,675	62,000
Other taxation and social security	142,968	138,890
Other creditors	2,260	12,646
Accruals and deferred income	417,940	562,933
	<u>687,420</u>	<u>827,746</u>

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

Deferred income comprises advance assessment programme income for participants who have not yet completed the full programme.

	2018 £
Balance as at 1 April 2017	518,930
Amount released to income from charitable activities	(296,531)
Amount deferred in year	79,310
Balance as at 31 March 2018	<u>301,709</u>

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Bank loans	360,144	419,148
Interest rate swap	11,753	25,086
	<u>371,897</u>	<u>444,234</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
BETWEEN ONE AND TWO YEARS		
Bank loans	<u>63,451</u>	<u>51,306</u>
BETWEEN TWO AND FIVE YEARS		
Bank loans	<u>196,604</u>	<u>215,322</u>
AFTER FIVE YEARS		
Bank loans	<u>100,089</u>	<u>152,520</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2018 £	2017 £
Repayable by instalments	<u>100,089</u>	<u>152,520</u>

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

The Charitable company has entered into an interest rate swap. For details of the swap see note 16, Financial instruments.

16. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost	<u>287,705</u>	<u>282,898</u>
	<u>287,705</u>	<u>282,898</u>
Financial liabilities measured at fair value through income and expenditure	(11,753)	(25,086)
Financial liabilities measured at amortised cost	<u>(559,671)</u>	<u>(589,076)</u>
	<u>(571,424)</u>	<u>(614,162)</u>

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****16. FINANCIAL INSTRUMENTS (CONTINUED)**

Financial liabilities measured at fair value through income and expenditure comprise a derivative financial instrument being an interest rate swap.

In 2009 the charitable company entered into an interest rate swap to receive LIBOR and pay interest at a fixed 6.54%. The swap is based on a principal amount of £550,000 and matures in 2019.

The instrument is used to hedge the charitable company's exposure to interest rate movements on the mortgage. The fair value of the interest rate swap is £11,753 (2017: £25,086).

17. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Carried forward £
Designated Funds						
Property Fund	1,107,411	-	(39,118)	53,704	-	1,121,997
Pension reserve	215,000	-	(18,000)	-	27,000	224,000
	<u>1,322,411</u>	<u>-</u>	<u>(57,118)</u>	<u>53,704</u>	<u>27,000</u>	<u>1,345,997</u>
General Funds						
General Funds	611,169	2,325,481	(2,391,987)	(53,704)	-	490,959
	<u>1,933,580</u>	<u>2,325,481</u>	<u>(2,449,105)</u>	<u>-</u>	<u>27,000</u>	<u>1,836,956</u>
Total Unrestricted funds						
	<u>1,933,580</u>	<u>2,325,481</u>	<u>(2,449,105)</u>	<u>-</u>	<u>27,000</u>	<u>1,836,956</u>
Total Funds	<u>1,933,580</u>	<u>2,325,481</u>	<u>(2,449,105)</u>	<u>-</u>	<u>27,000</u>	<u>1,836,956</u>

Property Fund

The fund represents the sums expended on the charitable company's freehold property less accumulated depreciation and the mortgage value secured against the freehold property.

Pension Reserve

The pension fund represents the total deficit attributable to the charitable company under defined benefit pension schemes. This has been separated from the other unrestricted reserves of the charitable company.

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Property fund £	Pension reserve £	General fund £	Total £
Tangible fixed assets	1,538,718	-	53,456	1,592,174
Investments	-	-	10	10
Net Current Assets	(56,577)	-	449,246	392,669
Long Term Creditors	(360,144)	-	(11,753)	(371,897)
Defined benefit pension scheme asset	-	224,000	-	224,000
Total	1,121,997	224,000	490,959	1,836,956

19. RECONCILIATION OF NET EXPENDITURE TO NET CASH USED IN OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year	(123,624)	(26,558)
Adjustment for		
Depreciation charges	63,359	68,010
Loss on disposal of tangible fixed assets	429	-
Dividends and interest from investments	(5,111)	(11,529)
Pension finance cost	(5,000)	2,000
Pension cost less contributions payable	23,000	13,000
Movement on interest rate loan swap provision	(13,333)	(10,605)
Increase in debtors	(8,399)	620,201
Decrease in creditors	(145,626)	(773,221)
NET CASH USED IN OPERATING ACTIVITIES	(214,307)	(118,706)

20. ANALYSIS CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	762,009	1,048,280

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****21. PENSION COMMITMENTS**

The charitable company operated 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 £37,451 (2017: £32,735).

The charitable company also operates a defined benefit pension scheme.

Principal actuarial assumptions at the Balance Sheet (expressed as weighted averages):

	2018	2017
Discount rate at 31 March	2.6%	2.5%
Expected return on scheme assets at 31 March	2.6%	2.5%
Future salary increases	2.7%	2.7%
Future pension increases	2.4%	2.4%

The amounts recognised in the Statement of Financial Activities are as follows:

	2018	2017
	£	£
Interest on obligation	(86,000)	(99,000)
Expected return on scheme assets	91,000	97,000
	5,000	(2,000)

Movements in the present value of the defined benefit obligation were as follows:

	2018	2017
	£	£
Opening defined benefit obligation	3,523,000	3,006,000
Interest cost	86,000	99,000
Contributions by scheme participants	11,000	15,000
Actuarial losses/(gains)	(42,000)	626,000
Current service costs	45,000	44,000
Benefits paid	(217,000)	(267,000)
Defined benefit obligation at 31 March	3,406,000	3,523,000

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****21. PENSION COMMITMENTS (CONTINUED)**

Movements in the fair value of the defined benefit plan assets were as follows:

	2018 £	2017 £
Opening defined benefit plan assets	3,738,000	2,979,000
Interest income	91,000	97,000
Contributions by scheme participants	11,000	15,000
Contributions by employer	22,000	31,000
Return on plan assets (excluding net interest on the net defined benefit liability)	(15,000)	883,000
Benefits paid	(217,000)	(267,000)
Defined benefit plan assets at 31 March	<u>3,630,000</u>	<u>3,738,000</u>

The charitable company expects to contribute £21,000 to its defined benefit pension scheme in 2019.

FAIR VALUES OF EMPLOYER ASSETS

	2018 £	2017 £
Equities	73%	74%
Bonds	16%	17%
Property	8%	7%
Cash	3%	2%
	<u>100%</u>	<u>100%</u>

The actuary estimates the bid value of the fund's assets as at 31 March 2018 to be £2,325,000,000 based on information provided by the Administering Authority and allowing for index returns where necessary.

MORTALITY ASSUMPTIONS

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CM 2013 model assuming the current rate of improvements has peaked and will converge to a long-term rate of 1.25% p.a., improvements will decline for the over 90's.

	Males Years £	Females Years £
Current pensioners	22.1	24.2
Future pensioners	<u>23.9</u>	<u>26.1</u>

COMMUNICATION

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018****21. PENSION COMMITMENTS (CONTINUED)****HISTORIC MORTALITY**

Life expectancies for the period end are based on the Fund's Vita Curves. The allowance for future life expectancies are:

- Prospective pensioners – current rate of improvements has peaked and will converge to a long-term rate of 1.25% p.a.
- Pensioners – current rate of improvements has peaked and will converge to a long-term rate of 1.25% p.a.

22. OPERATING LEASE COMMITMENTS

At 31 March 2018 the total of the Charitable Company's non-property future minimum lease payments under non-cancellable operating leases were:

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	25,241	30,692
Between 2 and 5 years	43,403	68,418
	<u>68,644</u>	<u>99,110</u>

23. RELATED PARTY TRANSACTIONS

EMLC holds 14% of the ordinary share capital of Third Wave Enterprises Limited. There have been the following transactions during the year:

	2018 £	2017 £
Transactions in the year:		
Rent recharge	13,500	13,500
Income from Master Trading Agreement and overheads recharged	2,344	1,783
Dividend income	4,900	9,338
Salaries	140,327	185,513
Amounts recharged	-	7,986
Consultancy and other fees charged to EMLC	(785)	(63,897)
Year-end position:		
Year-end balance owed by Third Wave Enterprises Limited	<u>126,479</u>	<u>21,813</u>

EMLC**(A Charitable Company limited by guarantee)****Notes forming part of the financial statements for the year ended 31 March 2018**

23. RELATED PARTY TRANSACTIONS (CONTINUED)

EMLC was the sponsor of EMLC Academy Trust during the year. There have been the following transactions during the year:

	2018 £	2017 £
Transactions in the year:		
Salaries and overheads recharged by EMLC (at cost)	258,552	188,386
Costs and other services recharged	16,384	25,040
Donation and expenses paid on behalf of EMLC Academy Trust	90,211	271,105
Year-end position:		
Year-end balance owed by EMLC Academy Trust	<u>58,205</u>	<u>12,138</u>

Other related party transactions during the year are as follows:

Mal Gyte Limited, a company owned by the wife of the previous Chairman was used for consultancy work on behalf of NCTL totalling £Nil (2017: £10,005).

Relating to quality assurance for the NCTL contract, fees of £5,760 (2017: £6,762) were payable to R Thomas, a close family member of Mrs J Thomas (Executive Director) with £1,210 (2017: £Nil) outstanding at the year end.

24. POST BALANCE SHEET EVENTS

After the year end, on 10 July 2018 EMLC ceased to be the sponsor of East Midlands Academy Trust (previously EMLC Academy Trust).