

EAST MIDLANDS LEADERSHIP CENTRE
A COMPANY LIMITED BY GUARANTEE
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 27TH JUNE 2003 TO 31ST MARCH 2004

CHARITY NO: 1101512

COMPANY NO: 4813638



EAST MIDLANDS LEADERSHIP CENTRE
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2004

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EAST MIDLANDS LEADERSHIP CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

Names of the Trustees, who are also directors and who served during the period, are as follows:

Chairman	Sir B. Liddington	*	(appointed 27 th June 2003)
Trustees	Doctor T. Allcott	**	(appointed 27 th June 2003)
	Mr R.T. Bagilhole		(appointed 28 th January 2004)
	Mr D.J. Bateson		(appointed 28 th January 2004)
	Mr M.S. Eaves	**	(appointed 28 th January 2004)
	Mr E. Hayes		(appointed 28 th January 2004)
	Mr M.J. Herbert	*/**	(appointed 28 th January 2004)
	Mrs J.R. Martin		(appointed 6 th February 2004)
	Mr F.J. O'Sullivan	*	(appointed 27 th June 2003)
	Mr A. Sortwell		(appointed 27 th June 2003 and resigned 28 th January 2004)
Company Secretary	Mrs M. J. Groom		
Executive Manager	Jan Marshall		
Learning Director	Rob Bollington		
Programmes Director	Jane Thomas		
Registered Office	36 Duncan Close, Moulton Park, Northampton NN3 6WL		
Solicitors	Bates, Wells & Braithwaite Cheapside House, 138 Cheapside, London EC2V 6BB		
Auditors	Grant Thornton UK LLP Elgin House Billing Road Northampton NN1 5AU		
Bankers	National Westminster Bank Plc, The Drapery Branch, 41 The Drapery, Northampton NN1 2EY		

(* Finance and HR Committee)(** Policy Committee)

EAST MIDLANDS LEADERSHIP CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

MEMBERSHIP OF THE SUB COMMITTEES

PROCESS OF APPOINTMENT OF THE TRUSTEES

The independent Chair is appointed for a term of three years by the Board;

The Governor Trustee is appointed for a term of two years by the Board in consultation with the school governors' association serving the East Midlands Region.

The Head Teacher Trustees are serving Head Teachers of schools in the East Midlands region, one from a primary school and the other from a secondary school. They are appointed for a term of two years by the Board in consultation with appropriate Head Teacher groups in the East Midlands Region;

Co-opted Trustees may be appointed at any time by the Board to serve for up to two years. When making the co-options the Board shall have regard to the particular composition of the Board with a view to maintaining a balance of experience, skills and interests.

When making appointments to the Board and when drawing up rules for nominations the Board will have regard to all the local education authority areas comprising the East Midlands Region so that the composition of the Board is representative as far as reasonably possible of the whole of the East Midlands Region.

Nominated Trustees are to be appointed from the groups comprising distinct categories of Advisory Forum members listed below ("Representative Groups"). Representative Groups based in the East Midlands region may nominate trustees by notice in writing from an authorised representative of each respective Representative Group to the Secretary at the Office as follows:

Representative Group	No. of Nominated Trustees
Educational Faith Groups	1
Higher Education establishments	1
Local Education Authorities	2
Independent organisations or businesses	1

One position for Local Education Authority representatives are filled by direct nomination of Northamptonshire Local Education Authority for three years following the First Full Board Meeting.

EAST MIDLANDS LEADERSHIP CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

MEMBERSHIP OF THE SUB COMMITTEES (Cont'd)

Each Nominated Trustee is appointed for a fixed or indeterminate period provided that no such fixed period shall exceed three years and any indeterminate appointment shall automatically lapse at the end of three years but so that the Nominated Trustees concerned shall be eligible for renomination.

EAST MIDLANDS LEADERSHIP CENTRE

REPORT OF THE TRUSTEES

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the period ended 31st March 2004. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

The charity is a charitable company limited by guarantee. It was incorporated on 27th June 2003 and registered with the Charity Commission on 14th January 2004. The charity changed its name from 'The East Midlands Affiliated Centre' to 'East Midlands Leadership Centre' on the 22nd October 2003. It is governed by a Memorandum and Articles of Association which was amended by special resolution on the 14th January 2004.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENT

The Statement of Financial Activities for the year are set out on page 11 of the financial statements. A summary of the financial resources and the work of the charity is set out below.

Who we are:

East Midlands Leadership Centre (EMLC) grew out of work across the East Midlands delivering the National Professional Qualification for Headship (NPQH) carried out by a consortium led by Northamptonshire County Council. This work provided a springboard for a collaborative bid to the National College for School Leadership (NCSL) to operate a regional base or affiliated centre for the college in the East Midlands. The organisations coming together for this purpose included LEAs, universities, diocesan and private organisations with an interest in leadership development. What began as a collaborative partnership under the auspices of Northamptonshire County Council provided a basis for setting up East Midlands Leadership Centre as a new independent charity designed to promote leadership development in education. The LEAs, universities, diocesan and private organisations, involved in setting up the charity, are now represented on the charity's Board of Trustees and Advisory Group.

What we do

The objects of the East Midlands Leadership Centre 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".

The establishment of EMLC reflects a new emphasis on the importance of leadership development for all levels of school leadership. EMLC enjoys close links with the National College for School Leadership, through its contract to operate the East Midlands Affiliated Centre, which acts as a regional arm for NCSL, and through its contracts to deliver national leadership programmes. EMLC is also developing its own leadership programmes and has a policy of bidding for relevant contracts for leadership development from other organisations.

EAST MIDLANDS LEADERSHIP CENTRE

REPORT OF THE TRUSTEES – CONTINUED

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

Our clients

In 2003/4 East Midlands Leadership Centre worked with schools, universities and LEAs, national and local organisations and diocesan authorities to take the leadership development agenda forward. Our major clients were the NCSL, the LEAs in the East Midlands region and the participants on our leadership programmes and activities.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENT

Investment policy and returns

Under the Memorandum and Articles of Association the trustees have the power to invest monies not immediately required for the purpose of the charity in such investments as may be thought fit. Surplus funds are held in cash as the Trustees wish to keep funds liquid.

The contracts for NPQH and other activities were novated in January together with a small amount of fixed assets for which the business paid £15,000.

EAST MIDLANDS LEADERSHIP CENTRE

REPORT OF THE TRUSTEES – CONTINUED

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENT (Cont'd)

Future plans

Over the next three years, we are looking to strengthen our position in providing a regional arm of NCSL and to develop a more broadly based portfolio of leadership development activities. We want to build on our support for school leaders by providing programmes and opportunities for all types of staff in education either centrally, in schools or through one or more of our partners. We see ourselves as well placed to respond to the climate created by the national agenda, with its emphasis on integrated approaches to children's services, greater specialisation, diversity and choice, globalisation, developing leadership capacity and personalised learning.

We want to strengthen our research and development function, disseminating the outcomes of projects and other activities. We want to capitalise on opportunities for e-learning and the more effective use of new technologies across all aspects of our work.

We are well placed with our regional and national contacts to extend the range of what we do in response to the national education agenda and see great opportunities in becoming involved in a number of new national initiatives, for example relating to the remodelling of the school workforce and behaviour and attendance. We want to develop our administrative centre alongside an increased presence across the region.

We aim to strengthen our team of tutors by recruiting additional suitably qualified tutors from across the region, attracting people from inside and outside the public services. We will also take steps to strengthen our core team of staff providing training and support to ensure the quality of our services is as high as possible. We will continue to promote the development of projects and initiatives throughout the region, each based on a sound business case, to impact directly on improvement in school leadership.

We see ourselves combining an increasingly strong profile in the East Midlands with more work outside the region, developing international as well as national links.

RESERVES POLICY

It is the policy of the charity to work towards unrestricted funds which are the free reserves of the charity at a level which equates to not less than approximately 6 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.

EAST MIDLANDS LEADERSHIP CENTRE

REPORT OF THE TRUSTEES – CONTINUED

RISK MANAGEMENT

The year 2003/4 saw a number of measures taken to establish the charity's infrastructure with policies and procedures put in place and key staff appointed. The charity put a risk management policy in place and major risks were identified and controls put in place. Key risks identified were:

- risks relating to dependency on the NCSL,
- risks to do with capacity within the school system to undertake leadership development combined with the wide range of opportunities available, and
- risks to do with communication factors.

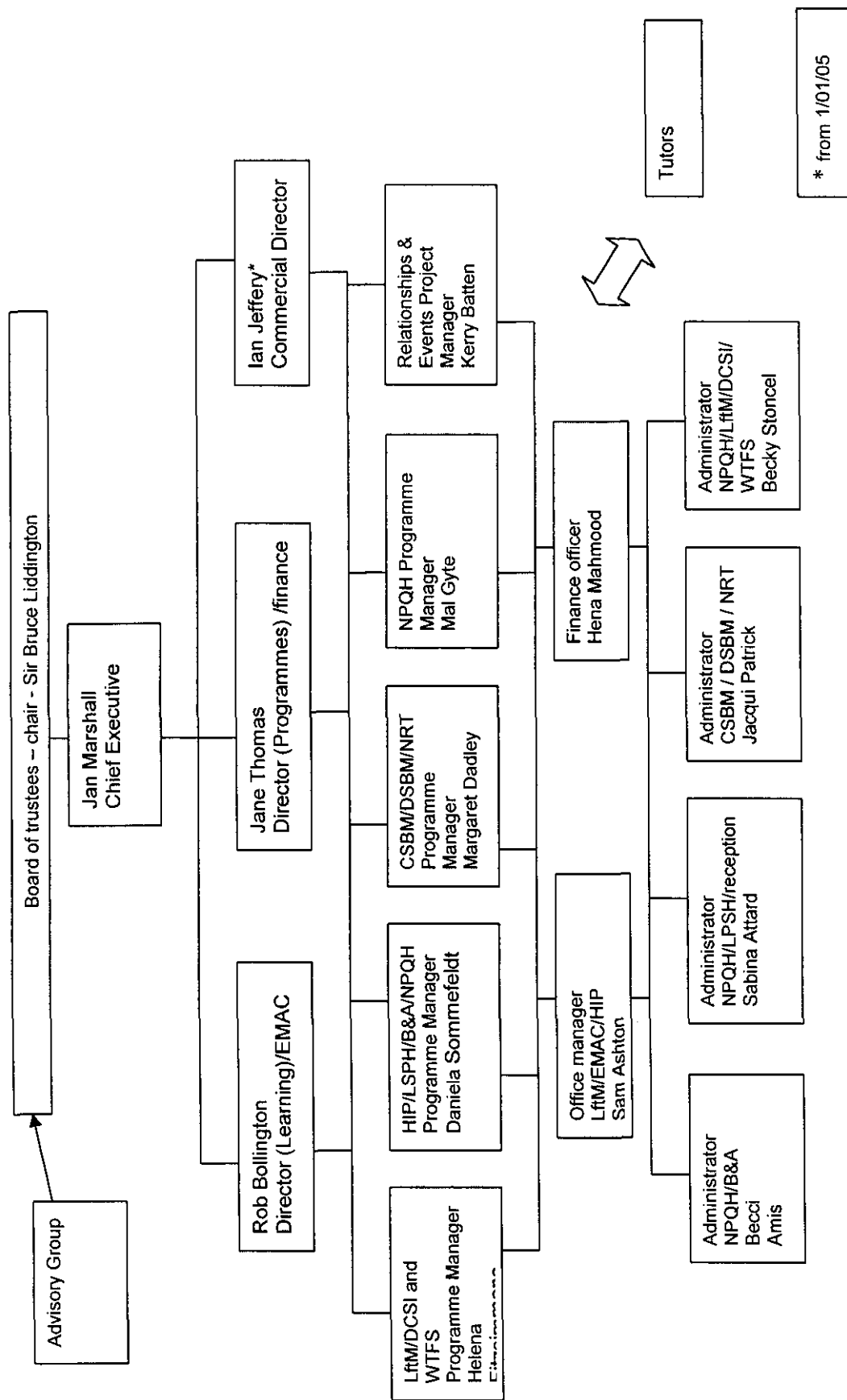
The charity is seeking to respond to these risks by:

- developing its relationship with NCSL while broadening the source of its programmes
- taking steps to listen to and respond to the needs of clients
- developing its links with regional stakeholders and establishing a variety of methods of communicating about its programmes.

EAST MIDLANDS LEADERSHIP CENTRE

REPORT OF THE TRUSTEES – CONTINUED

ORGANISATIONAL STRUCTURE



* from 1/01/05

EAST MIDLANDS LEADERSHIP CENTRE

REPORT OF THE TRUSTEES – CONTINUED

RESPONSIBILITIES OF THE TRUSTEES IN RELATION TO THE FINANCIAL STATEMENTS

Company and Charity 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 charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the Trustees are required to:-

- Select suitable accounting policies and apply them consistently;
- 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.

The Trustees have overall responsibility for ensuring that the charity has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

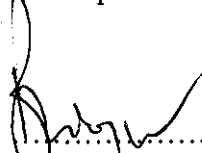
AUDITORS

Grant Thornton UK LLP were appointed as auditors of the charity and have agreed to be re-appointed at the forthcoming Annual General Meeting.

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 11th November 2004 and signed on its behalf by:



Sir B. Liddington
Chairman

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF EAST MIDLANDS LEADERSHIP CENTRE

We have audited the financial statements of East Midlands Leadership Centre for the period ended 31st March 2004, which comprise the Statement of Financial Activities, the Balance Sheet and notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors also act as Trustees for the charitable activities of the East Midlands Leadership Centre. Their responsibilities for the preparing the Trustees report and the financial statements in accordance with United Kingdom Law 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 United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity 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 Trustee's remuneration and transactions with the charity is not disclosed.

We read other information contained in 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. Our responsibilities do not extend to any other information.

Basis of opinion

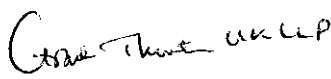
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

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 of the state of the charity's affairs as at 31st March 2004 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Northampton


21 October 2004

EAST MIDLANDS LEADERSHIP CENTRE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31ST MARCH 2004

		Unrestricted Funds 2004 £	Total Funds 2004 £
	Note		
Incoming resources			
Incoming resources from government or public authorities	2	851,774	851,774
Investment income	3	604	604
Total incoming resources		<u>852,378</u>	<u>852,378</u>
Resources expended			
Charitable expenditure			
Costs of activities in furtherance of the charity's objects and support costs	4	517,245	517,245
Management and administration	5	243,824	243,824
Total resources expended		<u>761,069</u>	<u>761,069</u>
Net incoming resources		91,309	91,309
Balance at 27th June 2003		-	-
Balance at 31st March 2004		<u>91,309</u>	<u>91,309</u>

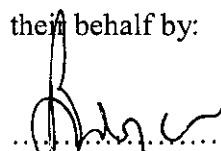
EAST MIDLANDS LEADERSHIP CENTRE


BALANCE SHEET AS AT 31ST MARCH 2004

	Note	2004 £
Fixed assets		
Tangible assets	8	<u>24,426</u>
Current assets		
Debtors	9	75,034
Cash at bank and in hand		1,627,074
		<u>1,702,108</u>
Creditors: amounts falling due within one year	10	(1,635,225)
Net current assets		<u>66,883</u>
Total assets less current liabilities		91,309
Net assets		<u>91,309</u>
Funds		
Unrestricted funds		91,309
		<u>91,309</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 June 2002).

The financial statements were approved by the Trustees on 11th November 2004 and signed on their behalf by:


.....
Sir B. Liddington
Chairman


.....
Mrs M.J. Groom
Secretary

EAST MIDLANDS LEADERSHIP CENTRE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2004

1. Accounting policies

(a) 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 June 2002). In addition, the financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) published in October 2000, applicable accounting standards and the Companies Act 1985.

(b) Company status

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

(c) Cash Flow Statement

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

(d) Fund accounting

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

(e) Incoming resources

All incoming resources are included within the SOFA when the charity 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.

(f) 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.

Management and Administration expenses comprise all costs incurred in the running of the charity.

EAST MIDLANDS LEADERSHIP CENTRE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2004

(g) 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

2. Activities in furtherance of the charity's objects

	2004 Unrestricted £	Total £
<i>Incoming resources from government or public authorities:</i>		
Grants	172,664	172,664
Regional programmes	679,110	679,110
	<hr/> 851,774 <hr/>	<hr/> 851,774 <hr/>

3. Investment Income

	2004 Unrestricted £	Total £
Bank Interest receivable	604	604
	<hr/> 604 <hr/>	<hr/> 604 <hr/>

EAST MIDLANDS LEADERSHIP CENTRE**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31ST MARCH 2004****4. Costs of activities in furtherance of the Charity's objects and support costs**

	2004	Total
	Unrestricted	
	£	£
Tutor Fees	199,684	199,684
Actor and speaker fees	4,208	4,208
Programme Management salary	38,035	38,035
Programme Administration salary	8,232	8,232
Travel	12,091	12,091
Venue costs	187,550	187,550
Tutor Training	10,184	10,184
Other direct costs	57,261	57,261
	<u>517,245</u>	<u>517,245</u>

5. Management and Administration

	2004	Total
	Unrestricted	
	£	£
Wages and national insurance	64,951	64,951
Administration support	14,816	14,816
Pension	7,978	7,978
Rent and rates	3,500	3,500
Insurance	936	936
Travel and subsistence	16,807	16,807
Printing, postage and stationery	9,972	9,972
Telephone and fax	4,274	4,274
Legal and professional costs	105,114	105,114
Audit fee	4,406	4,406
Consultancy	5,263	5,263
Advertising	3,553	3,553
Repairs and renewals	592	592
Depreciation	1,628	1,628
Bank charges	34	34
	<u>243,824</u>	<u>243,824</u>

EAST MIDLANDS LEADERSHIP CENTRE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2004

5. Management and Administration (cont'd)

Total resources expended include:

	2004 £
Auditors' remuneration:	
Audit fee	4,406
Accountancy, taxation and other services	-
Depreciation	1,628
	<hr/> <hr/>

6. Trustees' remuneration

One Trustee received remuneration, as permitted by the memorandum of association, in respect of professional services amounting to £8,266. No other Trustees neither received nor waived any emoluments during the period.

Two Trustees received reimbursement for their expenses amounting to £97.

EAST MIDLANDS LEADERSHIP CENTRE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2004

7. Staff costs

	2004
	£
Wages and salaries (including tutors)	137,245
Social Security costs (including tutors)	12,044
Pension costs	7,978
	<u>157,267</u>

The average number of employees during the period, was:

Charitable activities	16
Management and administration	5
	<u>21</u>

No employees whose emoluments as defined for taxable purposes amounted to over £50,000 in the period.

8. Tangible fixed assets

	Fixtures & Fittings	Total
	£	£
Cost		
Additions	<u>26,054</u>	<u>26,054</u>
At 31st March 2004	<u>26,054</u>	<u>26,054</u>
Depreciation		
Charge for period	<u>1,628</u>	<u>1,628</u>
At 31st March 2004	<u>1,628</u>	<u>1,628</u>
Net book value at 31st March 2004	<u>24,426</u>	<u>24,426</u>

EAST MIDLANDS LEADERSHIP CENTRE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2004

9. Debtors

	2004
	£
Trade debtors	48,131
Other debtors	15,025
Prepayments and accrued income	11,878
	<hr/>
	75,034
	<hr/>

10. Creditors: amounts falling due within one year

	2004
	£
Trade creditors	18,009
Other creditors	23,019
Accruals	220,659
Deferred income	1,373,538
	<hr/>
	1,635,225
	<hr/>

EAST MIDLANDS LEADERSHIP CENTRE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2004

11. Financial commitments

At 31st March 2004 the charity has annual commitments under non-cancellable leases as follows:

	Land and Buildings £
Expiry date:	
Two to five years	45,000
	<u> </u>

The charity had also entered into capital commitments in respect of the new premises amounting to £76,375.

12. Related Parties

The Charity's secretary is an employee of Bates, Wells & Braithwaite Solicitors. During the period that organisation provided professional services which amounted to £27,384.

13. Pensions – Defined Contribution Scheme

The charity 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 charity.

14. Pensions – Defined Benefit Scheme

The charity contributes to a defined benefit pension scheme for the benefit of the employees. The assets of the scheme are administered by the trustees in a fund independent from those of the charity. Pension costs in the year amount to £7,978.