REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

FOR

EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

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FOR THE YEAR ENDED 31 JULY 2014**

COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2014

DIRECTORS:	A Charnock L Donnithorne G E Foster J Lloyd L J Mortimer Pine D G Williams P Marshall G L Curling S Grant S J Bracher S P T Coombe L Conlan
REGISTERED OFFICE:	Revell Ward LLP 7th Floor 30 Market Street Huddersfield HD1 2HG
REGISTERED NUMBER:	02918620
AUDITORS:	Revell Ward LLP Chartered Accountants and Statutory Auditors 7th Floor 30 Market Street Huddersfield HD1 2HG

The directors present their report with the financial statements of the company for the year ended 31 July 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2013 to the date of this report.

A Charnock
L Donnithorne
G E Foster
J Lloyd
L J Mortimer Pine
D G Williams
P Marshall

Other changes in directors holding office are as follows:

M G Moore - resigned 31 December 2013
G L Curling - appointed 15 August 2013
S Grant - appointed 23 May 2014
S J Bracher - appointed 23 May 2014
S P T Coombe - appointed 23 May 2014
L Conlan - appointed 23 May 2014

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

QUALIFYING 3RD PARTY INDEMNITY PROVISIONS

The company purchased insurance for liabilities incurred by its directors in carrying our their duties.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

....
G E Foster - Director

Date: ....

We have audited the financial statements of Educational Competencies Consortium Limited for the year ended 31 July 2014 on pages five to eleven. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors 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
As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 July 2014 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Karen Borowski FCA (Senior Statutory Auditor)
for and on behalf of Revell Ward LLP
Chartered Accountants and Statutory Auditors
7th Floor
30 Market Street
Huddersfield
HD1 2HG

Date: ....

EDUCATIONAL COMPETENCIES CONSORTIUM LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2014

	Notes	31.7.14 £	31.7.13 £
TURNOVER		851,722	822,613
Cost of sales		419,004	381,547
GROSS SURPLUS		432,718	441,066
Administrative expenses		440,456	434,428
OPERATING (DEFICIT)/SURPLUS	2	(7,738)	6,638
Interest receivable and similar income		1,029	1,583
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,709)	8,221
Tax on (deficit)/surplus on ordinary activities	3	206	317
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		(6,915)	7,904

The notes form part of these financial statements

BALANCE SHEET
31 JULY 2014

	Notes	31.7.14 £	31.7.14 £	31.7.13 £	31.7.13 £
FIXED ASSETS					
Intangible assets	4		94,730		-
Tangible assets	5		3,552		4,457
			98,282		4,457
CURRENT ASSETS					
Debtors	6	92,704		65,568	
Cash in hand		220,216		313,835	
		312,920		379,403	
CREDITORS					
Amounts falling due within one year	7	100,411		66,154	
NET CURRENT ASSETS			212,509		313,249
TOTAL ASSETS LESS CURRENT LIABILITIES			310,791		317,706
RESERVES					
Income and expenditure account	9		310,791		317,706
			310,791		317,706

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on .... and were signed on its behalf by:

....
G E Foster - Director

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The directors have prepared projected budgets and cash flow information for the following two financial years which show that short term bank facilities may be required within twelve months from the date of signing the balance sheet. The directors plan to discuss these requirements with the bank as well as looking at alternative ways to manage cash flows in this period.

Having considered the above information the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis for accounting in preparing the annual statements.

Turnover
Income, which is recognised on a receivable basis, arises from activities undertaken on behalf of subscribing members.

Intangible assets
Research expenditure is written off to the profit and loss account in the year in which it is incurred.

Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects and can assess the outcome of the project with reasonable certainty. In this situation, the expenditure is capitalised and amortised over the period during which the company is expected to benefit.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery etc - 33% on cost

Pensions
The company participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

2. OPERATING (DEFICIT)/SURPLUS

The operating deficit (2013 - operating surplus) is stated after charging/(crediting):

	31.7.14	31.7.13
	£	£
Depreciation - owned assets	2,002	1,254
(Profit)/loss on disposal of fixed assets	(8)	115
Auditors' remuneration	2,566	2,300
Pension costs	35,414	30,719

Directors' remuneration and other benefits etc	-	-

2. OPERATING (DEFICIT)/SURPLUS - continued

No director received any remuneration from the company or had a beneficial interest in any contract with the company. However, the company has been charged £3,000 (2013 - £3,000) from Liverpool John Moores University for the services of Julie Lloyd, vice-chair and director, £3,000 (2013 - £3,000) from Northumbria University for the services of Geoff Foster, director and £Nil (2013 - £3,000) from The University of South Wales for the services of Bethan Edwards, former director.

3. TAXATION

Analysis of the tax charge

The tax charge on the deficit on ordinary activities for the year was as follows:

	31.7.14 £	31.7.13 £
Current tax:		
UK corporation tax	206	317
Tax on (deficit)/surplus on ordinary activities	206	317

The company is a mutual trading company for tax purposes and only pays tax on investment income.

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
Additions	94,730
At 31 July 2014	94,730
NET BOOK VALUE	
At 31 July 2014	94,730

Intangible fixed asset additions relate to the costs incurred in respect of the development of a new software package. These costs have been capitalised in accordance with the accounting policy on page 8 and will be amortised once the development stage is complete and the software is in use by members.

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST	
At 1 August 2013	8,663
Additions	1,444
Disposals	(1,175)
At 31 July 2014	8,932
DEPRECIATION	
At 1 August 2013	4,206
Charge for year	2,002
Eliminated on disposal	(828)
At 31 July 2014	5,380
NET BOOK VALUE	
At 31 July 2014	3,552
At 31 July 2013	4,457

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.14	31.7.13
	£	£
Trade debtors	43,720	6,054
Other debtors	48,984	59,514
	92,704	65,568

Other debtors includes a prepayment of £21,987 (2013 - £22,232) for the Towers Watson software licence fee.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.14	31.7.13
	£	£
Trade creditors	56,122	46,496
Taxation and social security	8,941	6,142
Other creditors	35,348	13,516
	100,411	66,154

8. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	31.7.14	31.7.13
	£	£
Expiring:		
Within one year	4,221	4,106

9. RESERVES

	Income and expenditure account £
At 1 August 2013	317,706
Deficit for the year	(6,915)
At 31 July 2014	310,791

10. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Clause 5 of the Memorandum of Association provides that every member, as defined in the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the company being wound up while they are a member or within one year of ceasing to be a member.

11. PENSION

The company participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund.

The most recent actuarial valuation of the scheme was 31 March 2011. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. In relation to the past service liabilities the financial assumptions were derived from the market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter. The valuation was carried out using the projected unit method.

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases at the valuation date. On the scheme's historic gilts basis, using valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the scheme was 93% funded: on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS 17 formula as if USS was a single employer scheme, using a AA bond discount rate of the 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

The actuary has estimated that the funding level as at 31 March 2012 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are cited as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation. On the FRS 17 basis, using an AA bond discount rate of 4.9% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2012 was 74%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 56%.

Surpluses or deficits which arise at future valuations may impact on the company's future contribution commitment. An additional factor which would impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is due as at 31 March 2014. The contribution rate will be reviewed as part of each valuation. The total pension cost for the company was £35,414 (2013 - £30,719). The contribution rate payable by the company is 16% of pensionable salaries.

Since the previous valuation as at 31 March 2008 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. Details of the changes can be found on the schemes website at www.uss.co.uk.

EDUCATIONAL COMPETENCIES CONSORTIUM LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2014

	31.7.14		31.7.13	
	£	£	£	£
Turnover				
LMD and Towers Watson income	72,786		77,778	
Subscriptions	720,588		713,533	
Members' services	56,873		13,614	
Non-member consultancy income	1,475		11,688	
Miscellaneous	-		6,000	
		851,722		822,613
Cost of sales				
ECC TW annual licence fee	280,457		263,903	
LMD to Capita HSP	72,394		74,238	
Members' meetings	14,027		11,178	
Royalty payable	3,076		3,018	
Training and consultancy	49,050		29,210	
		419,004		381,547
GROSS SURPLUS		432,718		441,066
Other income				
Bank interest		1,029		1,583
		433,747		442,649
Expenditure				
Staff salaries and other personnel costs	249,205		238,049	
Staff national insurance	25,556		20,935	
Staff pension costs	35,414		30,719	
Telecommunications	12,153		13,271	
Printing and stationery	2,919		2,744	
Market research costs	3,600		-	
Bank charges	120		128	
Insurance	4,385		4,377	
Staff training and recruitment	1,556		7,374	
Office and associated costs	16,615		16,206	
Staff expenses	3,846		5,044	
Chair's honorarium	6,000		9,000	
Product development	8,291		4,338	
Professional and accountancy	25,048		23,411	
Legal fees	900		3,951	
Business development	14,893		24,606	
Company meetings	25,395		26,606	
Auditors' remuneration	2,566		2,300	
Depreciation on computers				
Fixtures and fittings	120		10	
Computer equipment	1,882		1,244	
Profit/loss on sale of tangible fixed assets	(8)		115	
		440,456		434,428
NET (DEFICIT)/SURPLUS		(6,709)		8,221

This page does not form part of the statutory financial statements