

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015
FOR
EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

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FOR THE YEAR ENDED 31 JULY 2015**

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**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2015**

DIRECTORS:

A Charnock
L Donnithorne
J Lloyd
L J Mortimer Pine
D G Williams
G L Curling
S Grant
S J Bracher
S P T Coombe
L Conlan

REGISTERED OFFICE:

7th Floor
30 Market Street
Huddersfield
HD1 2HG

REGISTERED NUMBER:

02918620

AUDITORS:

Revell Ward Limited
Chartered Accountants and Statutory Auditors
7th Floor
30 Market Street
Huddersfield
HD1 2HG

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2015**

The directors present their report with the financial statements of the company for the year ended 31 July 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2014 to the date of this report.

A Charnock
L Donnithorne
J Lloyd
L J Mortimer Pine
D G Williams
G L Curling
S Grant
S J Bracher
S P T Coombe
L Conlan

Other changes in directors holding office are as follows:

G E Foster - resigned 31 July 2015
P Marshall - resigned 31 July 2015

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 out 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.

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2015**

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:

.....
J Lloyd - Director

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

We have audited the financial statements of Educational Competencies Consortium Limited for the year ended 31 July 2015 on pages six to fourteen. 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 2015 and of its surplus 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

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 Limited
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 2015**

	Notes	31.7.15 £	31.7.14 £
TURNOVER		855,240	851,722
Cost of sales		<u>404,019</u>	<u>419,004</u>
GROSS SURPLUS		451,221	432,718
Administrative expenses		<u>443,901</u>	<u>440,456</u>
OPERATING SURPLUS/(DEFICIT)	2	7,320	(7,738)
Interest receivable and similar income		<u>741</u>	<u>1,029</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,061	(6,709)
Tax on surplus/(deficit) on ordinary activities	3	<u>148</u>	<u>206</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		<u><u>7,913</u></u>	<u><u>(6,915)</u></u>

The notes form part of these financial statements

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**BALANCE SHEET
31 JULY 2015**

	Notes	31.7.15 £	£	31.7.14 £	£
FIXED ASSETS					
Intangible assets	4		418,074		94,730
Tangible assets	5		2,265		3,552
			<u>420,339</u>		<u>98,282</u>
CURRENT ASSETS					
Debtors	6	871,092		92,704	
Cash in hand		-		220,216	
		<u>871,092</u>		<u>312,920</u>	
CREDITORS					
Amounts falling due within one year	7	972,727		100,411	
			<u>(101,635)</u>		<u>212,509</u>
NET CURRENT (LIABILITIES)/ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>318,704</u>		<u>310,791</u>
RESERVES					
Income and expenditure account	10		318,704		310,791
			<u>318,704</u>		<u>310,791</u>

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:

.....
J Lloyd - Director

The notes form part of these financial statements

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2015**

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 coming financial year. 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.

Development costs - 10% on cost

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). The scheme has both defined benefit and defined contribution sections.

The defined benefit section is contracted out of the State Second Pension (S2P). The assets of the section are held in a separate trustee-administered fund. The company is unable to identify its share of the underlying assets and liabilities of the section on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the section 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. The FRSSE has not been followed in this respect because the directors believe FRS17 is more appropriate.

Contributions payable to the defined contribution section are charged to the profit and loss account in the period to which relate.

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2015**

2. OPERATING SURPLUS/(DEFICIT)

The operating surplus (2014 - operating deficit) is stated after charging/(crediting):

	31.7.15	31.7.14
	£	£
Depreciation - owned assets	1,965	2,002
Profit on disposal of fixed assets	-	(8)
Development costs amortisation	3,513	-
Auditors' remuneration	2,940	2,566
Pension costs	37,792	35,414
Operating leases	16,994	16,615
	<u> </u>	<u> </u>
Directors' remuneration and other benefits etc	-	-
	<u> </u>	<u> </u>

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 (2014 - £3,000) from Liverpool John Moores University for the services of Julie Lloyd, vice-chair and director and £3,000 (2014 - £3,000) from Northumbria University for the services of Geoff Foster, chairman.

3. TAXATION

Analysis of the tax charge

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

	31.7.15	31.7.14
	£	£
Current tax:		
UK corporation tax	148	206
	<u> </u>	<u> </u>
Tax on surplus/(deficit) on ordinary activities	148	206
	<u> </u>	<u> </u>

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

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2015**

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 August 2014	94,730
Additions	326,857
	<hr/>
At 31 July 2015	421,587
	<hr/>
AMORTISATION	
Charge for year	3,513
	<hr/>
At 31 July 2015	3,513
	<hr/>
NET BOOK VALUE	
At 31 July 2015	418,074
	<hr/> <hr/>
At 31 July 2014	94,730
	<hr/> <hr/>

Intangible fixed assets 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 are being amortised from July 2015 when the development stage was completed and the software came into use.

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 August 2014	8,932
Additions	678
	<hr/>
At 31 July 2015	9,610
	<hr/>
DEPRECIATION	
At 1 August 2014	5,380
Charge for year	1,965
	<hr/>
At 31 July 2015	7,345
	<hr/>
NET BOOK VALUE	
At 31 July 2015	2,265
	<hr/> <hr/>
At 31 July 2014	3,552
	<hr/> <hr/>

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2015**

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.15	31.7.14
	£	£
Trade debtors	860,920	43,720
Other debtors	10,172	48,984
	<u>871,092</u>	<u>92,704</u>

Subscription invoices for 2015/16 were issued in July, rather than in August as in the prior year. This is reflected in the increased amounts due from trade debtors at 31 July 2015, as well as the increased VAT liability shown below within "Taxation and social security". This income relates to August 2015 to July 2016 and has therefore been deferred and included within "Other creditors" at the year end. All of these items represent timing differences rather than any fundamental change to the organisation.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.15	31.7.14
	£	£
Bank loans and overdrafts	25,586	-
Trade creditors	13,821	56,122
Taxation and social security	147,386	8,941
Other creditors	785,934	35,348
	<u>972,727</u>	<u>100,411</u>

8. OPERATING LEASE COMMITMENTS

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

	31.7.15	31.7.14
	£	£
Expiring: Within one year	<u>4,268</u>	<u>4,221</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	31.7.15	31.7.14
	£	£
Bank overdraft	<u>25,586</u>	<u>-</u>

The overdraft is secured by a fixed and floating charge.

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2015**

10. RESERVES

	Income and expenditure account £
At 1 August 2014	310,791
Surplus for the year	<u>7,913</u>
At 31 July 2015	<u><u>318,704</u></u>

11. CONTINGENT LIABILITIES

A contingent liability exists in relation to the pension valuation recovery plan, since the company is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the company is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet. The associated receivable from the scheme in respect of the reimbursement of the company's expenditure is similarly not recognised.

12. 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.

13. PENSION

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 fund administered by the trustee, Universities Superannuation Scheme Limited. The company is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the company's employees. In 2015, the percentage was 16% (2014 - 16%). 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.

The total cost charged to the profit and loss account is £37,792 (2014 - £35,414) as shown in note 2. There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 (*the valuation date*), which was carried out using the projected unit method and is currently being audited by the scheme auditor. Based on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

FRS 17 liability numbers have been produced using the following assumptions:

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in the first year and 4.0% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality	S1NA ["light"] YoB tables - No age rating
Female members' mortality	S1NA ["light"] YoB tables - rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2015**

	2015	2014
Existing benefits		
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72%	75%

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2015**

	31.7.15		31.7.14	
	£	£	£	£
Turnover				
LMD and Towers Watson income	73,456		72,786	
Subscriptions	708,393		720,588	
Members' services	60,991		56,873	
Non-member consultancy income	12,400		1,475	
	<u> </u>	855,240	<u> </u>	851,722
Cost of sales				
DCSL licence fees	16,128		-	
Software development	4,319		-	
ECC TW annual licence fee	235,540		280,457	
LMD to Capita HSP	75,649		72,394	
Members' meetings	5,604		14,027	
Royalty payable	2,679		3,076	
Training and consultancy	60,587		49,050	
Amortisation of intangible fixed assets				
Development costs	3,513		-	
	<u> </u>	404,019	<u> </u>	419,004
GROSS SURPLUS		451,221		432,718
Other income				
Bank interest		741		1,029
		<u> </u>		<u> </u>
		451,962		433,747
Expenditure				
Staff salaries and other personnel costs	245,695		249,205	
Staff national insurance	27,138		25,556	
Staff pension costs	37,792		35,414	
Telecommunications	11,190		12,153	
Printing and stationery	2,893		2,919	
Market research costs	-		3,600	
Bank charges	3,818		120	
Insurance	4,394		4,385	
Staff training and recruitment	3,070		1,556	
Office and associated costs	17,047		16,615	
Non-chargeable disbursements	8,436		3,846	
Chair's honorarium	6,000		6,000	
Product development	2,480		8,291	
Professional and accountancy	24,932		25,048	
Legal fees	11,766		900	
Business development	3,240		14,893	
Company meetings	29,105		25,395	
Auditors' remuneration	2,940		2,566	
Depreciation on computers				
Fixtures and fittings	136		120	
Computer equipment	1,829		1,882	
Profit/loss on sale of tangible fixed assets	-		(8)	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carried forward	443,901	451,962	440,456	433,747

This page does not form part of the statutory financial statements

**EDUCATIONAL COMPETENCIES
CONSORTIUM LIMITED**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2015**

	31.7.15		31.7.14	
	£	£	£	£
Brought forward	<u>443,901</u>	451,962	<u>440,456</u>	433,747
		<u>443,901</u>		<u>440,456</u>
NET SURPLUS/(DEFICIT)		<u>8,061</u>		<u>(6,709)</u>

This page does not form part of the statutory financial statements