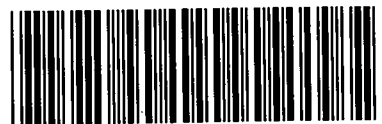


ECTARC LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT AND ACCOUNTS

for the year ended
31st March 2014

Company Registration Number 02238053
Charity Number 328154

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ECTARC LIMITED

COMPANY LIMITED BY GUARANTEE

Financial Statements

Year ended 31st March 2014

Contents	Page
Members of the Board and professional advisers	1
Trustees' Annual Report	2-8
Statement of Trustees' responsibilities	9
Independent auditor's report to the Trustees	10-11
Statement of financial activities (incorporating the income and expenditure account)	12
Balance sheet	13
Notes to the financial statements	14-20

**ECTARC LIMITED
COMPANY LIMITED BY GUARANTEE**

Members of the Board and Professional Advisers

Registered charity name	ECTARC Limited
Charity number	328154
Company registration number	02238053
Registered office	Parade Street Llangollen Denbighshire LL20 8RB
Trustees	Ms Rhiannon Wyn Hughes Mr Stewart Milne Mr Gwyn Williams Mr Lawrence Whelan
Secretary	Mr Malcolm James
Auditor	Mitchell Charlesworth LLP Chartered Accountants Statutory Auditor 24 Nicholas Street Chester CH1 2AU

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Trustees' Annual Report

Year ended 31st March 2014

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31st March 2014.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on pages 1 to 2 of the financial statements.

THE TRUSTEES

The Trustees who served the charity during the period were as follows:

Ms Rhiannon Wyn Hughes
Mr Stewart Milne
Mr Gwyn Williams
Mr Lawrence Whelan
Mrs Margaret McCabe (resigned 5th September 2013)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Directors of the European Centre for Training and Regional Cooperation who are also Trustees of the Charity and who served during the year were:

Mrs Rhiannon Wyn Hughes	Independent
Mr Stewart Milne	Glyndwr University, Wrexham
Mr Gwyn Williams	Independent
Mr Lawrence Whelan	Willacy Oil
Mrs Margaret McCabe	Welsh Government
Mr Malcolm James	Company Secretary

TRUSTEE INDUCTION AND TRAINING

New Trustees are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within it operates. These are led by the Executive Director of the charity.

The obligations of the Board members:

- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Trustees' Annual Report *(continued)*

Year ended 31st March 2014

RELATED PARTIES

In so far as it is complimentary to the charity's objects, the charity is guided by both local and national policy. Denbighshire County Council leases the building to ECTARC on a renewable lease. The representation of the Board of local organisations has proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

COMPANY STATUS

The company is limited by guarantee, and was incorporated under the Companies Act 1985. It is governed by its Memorandum of and Articles of Association. In the event of liquidation the liability of the members is limited to £1. The company is registered as a charity by the Charity Commission, Number 328154.

ORGANISATIONAL STRUCTURE

The company is governed by its Board, which is responsible for formulating strategies and policies for the company as a whole.

RISK REVIEW

The Directors have approved a Risk Strategy policy, which identifies the major risks to which the charity is exposed; systems are being put into place to mitigate those risks. This policy will be reviewed annually.

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Trustees' Annual Report *(continued)*

Year ended 31st March 2014

OBJECTIVES AND ACTIVITIES

The company is established for the promotion, maintenance, improvement of education and training within Wales, elsewhere in the United Kingdom and in the regions of Europe. The company will deliver this by organising and taking part in education and training projects and programmes which stimulate an interest and understanding of the cultures and languages of the countries and regions of Europe.

Despite the current economic climate the year under review proved to be one of consolidation in improving the structure and working practices of the company. The level of activity showed a slight decrease than the previous year, this was largely due to the transition from the E.U. Life-Long learning programme to Erasmus+ which has resulted in a reduced net surplus for this year.

It should be noted that the financial situation of the company is closely monitored. Management accounts are produced on a three monthly basis and reported to the Board of Directors. In terms of income generated programmes and projects, activity has concentrated on the further developments of education and training programmes as noted above in particular in responding to the increased interest from existing and new Leonardo da Vinci partners from Europe in the delivery of language courses and work based training. During the year groups from regions in Spain, Italy, France, Germany, Denmark and Hungary contracted with ECTARC for the provision of such programmes which involved the participation of 218 participants, showing a decrease of 69 students on the previous year.

A further one year contract with HEFCW was agreed which enabled ECTARC to successfully run a Leonardo outward project entitled GO Wales to Europe which enabled 118 graduates from Wales to undertake a language course and a work experience in another European country. The project is running very successfully and is the international arm of the GO Wales graduate work experience programme, resulting in hundreds of applications from graduates in Wales each year. Due to the success and demand of the programme the Welsh Government agreed in principle funding of up to 100K in support of the GO Wales to Europe 3 for the period June 2013- May 2014.

The introduction of the City and Guilds Professional Development Award last year has proved very popular and is currently attracting 100% participation. The Award is a City and Guilds level 4 qualification in work experience and is mentored by the University of Swansea GO Wales PDA training team.

2014 brought to a close the EU Life-Long learning programme with the launch of Erasmus+. ECTARC has formed a Mobility Consortia in Wales with representatives of all 7 universities in order to strengthen its application for funding, which not only included a two year funding application to send undergraduates and recent graduates to Europe for a twelve week work experience but also included a bid for accreditation. In August the application was approved.

ECTARC has been working with the Welsh Government's D.F.E.S. (Department for Employment and Skills) in an attempt to raise co-funding for the Erasmus+ programme. Representations have been made to the European Affairs Committee of the National Assembly of Wales and local politicians including the Deputy Minister for Skills. The submission for co-funding for the Erasmus+ programme will be made to the Minister once the decision on the programme has been published.

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Trustees' Annual Report *(continued)*

Year ended 31st March 2014

During the year an international visits took place to Albeit und Leben Hamburg, and the Generalitat de Catalunya to identify new partnerships and opportunities for mobility projects. ECTARC also hosted visitors from Albeit und Leben in Hamburg, who are interested in developing new projects with ECTARC.

ECTARC attended an International event, at the ECVET Conference in Hamburg in December. ECTARC also participated as a member in the UK ECVET Steering group managed by ECORYS the National Agency in Birmingham and the Welsh Leonardo Advisory Group meeting in Cardiff.

ECTARC continues to participate as an observer in the EARLALL (European Association of Regional and Local Authorities for Lifelong Learning) Network, which has already proved fruitful in offering work placements at its headquarters in Brussels.

BUILDINGS AND REFURBISHMENT

ECTARC is working with Denbighshire County Council on the possible purchase of the building. The heads of terms have been agreed and a valuation of the premise has taken place by the Wrexham Valuation office. The premises have now been formally offered to ECTARC for £200,000 excluding VAT. Currently ECTARC's lawyer is examining the offer letter and its legalities and composing a response. Should the sale go ahead further grant aid will need to be explored for the replacement/upgrade of the roof.

FINANCIAL REVIEW

The results for the year show a net surplus of £92,693.

PLANS FOR THE FUTURE

Whilst the overall financial performance for the year as noted above showed a welcome increase in the level of income generated, the Company's Business Plan will continue to be reviewed and updated to reflect the need to maintain a secure financial base by refining key objectives aimed at developing new and existing business.

ECTARC will seek to extend its operation by continuing to pursue programmes offered by the new Erasmus+ programme. A three month graduate placement has been offered to a marketing graduate in order to review its marketing activities, web-site and social media. It is anticipated that a job offer will result from the project evaluation. The project will also help the development of work placements companies and host families in Wales as well as having closer links to the National bodies in Wales.

ECTARC undertook an English UK consultancy in February. The consultant reviewed ECTARC's processes and procedures in relation to English language teaching and learning. The report confirmed that ECTARC is in a strong position to apply for British Council Inspection. The Inspection took place on 19th and 20th August 2014, results pending.

ECTARC will continue to consolidate and develop existing partnerships by actively promoting and marketing ECTARC services in order to attract new partners. In particular ECTARC will continue to work with the Welsh Government. It is also proposed that the potential for increased joint working with existing and new overseas partners, Denbighshire County Council, Flintshire County Council, Glyndwr University, the British Council and the European Commission Office in Wales will continue.

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Trustees' Annual Report *(continued)*

Year ended 31st March 2014

ACTIVITIES AND EVENTS

Europe Direct Information Centre- Llangollen Activities April 2013 to March 2014

Basic Information Services

The Centre is open 9-5, five days a week for enquiries from the general public. In addition, the centre has its own website: www.europedirectllangollen.co.uk which is kept up to date, and also has a link to a Europe Direct Llangollen Facebook page, which is regularly updated with European news.

Participation in events

19th April, North-east Wales Employers Forum, Beaufort Park Hotel, Mold

EDIC Llangollen was invited to participate in the North East Wales Employers' Forum, with key stakeholders in 'careers' from across the region.

23rd April, 'Youth Opportunities in Europe', Glyndwr University, Wrexham

European event for Youth Workers across north-east Wales. This was organised by EDIC Wrexham and Llangollen along with Connect Cymru, (the youth organisation of Wales) and the youth work department of Glyndwr University, Wrexham to raise awareness of European opportunities for young people.

2nd May, ESDGC (Education for Sustainable Development and Global Citizenship Day), Ysgol Bryn Hedydd, Rhyl

We were invited to take part in Ysgol Bryn Hedydd's celebration (scheduled as close as possible to Europe Day). The pupils took part in various activities throughout the day including workshops on Fair Trade, with CAFOD, and with EDIC Llangollen.

27th June, World of Work Event, Mold Alun High School, Mold, Flintshire

EDIC Llangollen was invited to take part in a 'Careers Wales' event for Year 10 pupils at the Alun School, Mold. The event aimed to help young people discover more about the types of employment opportunities open to them. We offered 5 half-hour sessions, and also took part in a half-hour feedback session.

28th June, Meeting with Rhyl Library staff

EDIC Llangollen met with staff of Rhyl Library to discuss Europe Direct publications and projects we could work on together.

1st July, Wales, Europe and the World

'Routes into Languages, Cymru', organised a 'Wales, Europe and the World' event at Bangor University, for Year 10 pupils from across North Wales. EDIC Llangollen was invited to deliver workshops on the European Union as part of this event, which was aimed at young people interested in languages, and careers in languages.

9th July, Llangollen International Musical Eisteddfod

The European Commission Office in Wales organised a large double information stand at the Llangollen International Musical Eisteddfod (LIME), which was manned by EDICs Llangollen and Wrexham.

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Trustees' Annual Report *(continued)*

Year ended 31st March 2014

18th July, Argoed High School, Enrichment Day

ED Llangollen was invited to take part in the Argoed High School's enrichment day, to lead 3 workshops for Year 10 pupils, of 1 hour and 40 minutes each on the European Union, which is a topic of the Welsh Baccalaureate – part of the curriculum in Wales.

21st -23rd October, Europe Direct AGM, Sofia Bulgaria

7th November, WJEC Conference for Welsh Baccalaureate Co-ordinators, Llandudno,

EDICs Llangollen and Wrexham were invited to speak at a conference for co-ordinators of the Welsh Baccalaureate in school across north-east Wales, to show how we can support the 'Wales, Europe and the Word' module.

14th -15th November, Pan-European Working Group Meeting, Madrid, Spain

EDIC Llangollen was accepted on to a PEWG, with the aim of creating a Europe Direct guide on working with children and young people.

4th December, ESDGC Networking Event for north-east Wales, Brynhyfryd School, Ruthin

This event was organised by the ESDGC Forum (Education for Sustainable Development and Global Citizenship) of north-east Wales, which EDIC Llangollen is a member of. The event was an informal networking event which aimed to bring together providers of ESDGC activities for schools with ESDGC co-ordinators in schools.

11th December, Flintshire Head Teachers' meeting, Hawarden, Flintshire

EDIC Llangollen was invited to a meeting of Flintshire Head Teachers at the Gladstone Library, Hawarden, Flintshire, to present our services and publications, and to raise awareness of EDIC Llangollen across Schools in Flintshire.

6th February, Denbighshire PSE co-ordinators meeting

A meeting of personal and social education (PSE) co-ordinators in Denbighshire. I was invited to give an overview of EDIC Llangollen services.

Events organised by EDIC Llangollen

9th April 2013, School workshop, Ysgol Clawdd Offa, Prestatyn

11th April 2013, EU workshop, Ysgol Esgob Morgan, St. Asaph, Denbighshire

22nd April 2013, School Workshop, Ysgol Derwen, Higher Kinnerton, Flintshire

9th May 2013, Europe Day Celebration, Ysgol Bryn Collen, Llangollen

11th June 2013, School Workshop, Ysgol Gwenffrwd, Holywell

30th August 2013, Citizens' Event, Llangollen Library

23rd September. European Day of Languages Celebration, Llangollen Pavilion,

13 Schools from Denbighshire and Flintshire attended our European Day of Languages celebration on Monday 23rd September at Llangollen Pavilion. 250 Year 6 pupils participated in this day of language shows and workshops, which aimed to encourage children to take up languages at school by showing them that language learning can be fun.

24th September 2013, Citizens' event, Scala Cinema, Prestatyn, Denbighshire

26th September 2013, School Workshops, Ysgol y Faneol, Bodelwyddan

3rd October 2013, Citizens' event, 'The EU, How does it work for me?'

18th October 2013, School Workshops, Ysgol Glan Clwyd, St. Asaph

11th November 2013, School Workshop, Ruthin School

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Trustees' Annual Report *(continued)*

Year ended 31st March 2014

December, European Christmas Tree Decoration Exchange Project.

EDIC Llangollen organised its' annual Christmas Tree Decoration Exchange Project again in 2013. 41 EDICS participated this year from across 16 EU countries, involving 210 European primary schools. This project therefore involved approximately 2000 pupils across the EU.

14th January 2014. Presentation on the EU, Penuel Chapel, Rhosllanerchrugog

23rd January 2014, School Workshops, St. Anthony's, Flintshire

30th January, Ysgol Bryn Coch, Mold, Flintshire, School Workshops

19th March, Ysgol Esgob Morgan, St. Asaph, School Workshops

26th to 28th March, Euroscola, Strasbourg

EDIC Llangollen organised its annual essay competition for sixth-formers, following which 24 winners from across Flintshire and Denbighshire were taken on a trip organised by us, to a Euroscola day at the European Parliament in Strasbourg.

A new four year contract was awarded to ECTARC to continue to host the Europe Direct Centre unfortunately match funding from the local authorities was not forthcoming.

RESERVES POLICY

The Directors have established a policy whereby the unrestricted funds held by the charity should be equal to six months of the resource expended. The Directors consider that at this level the charity would be able to continue the current activities of the Charity should there be a short delay in funds being received. In addition to this, the unrestricted funds held also cover a provision for the potential purchase of the building during the next financial year.

AUDITORS

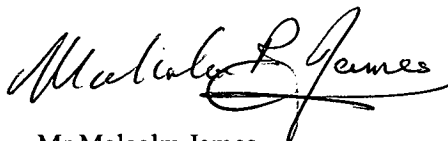
Following the transfer of the business of Mitchell Charlesworth to Mitchell Charlesworth LLP ON 1 June 2014, and having expressed a willingness to continue in office, a resolution for the appointment of Mitchell Charlesworth LLP will be proposed at the forthcoming Annual General Meeting.

SMALL COMPANY PROVISIONS

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

Registered Office:
Parade Street
Llangollen
Denbighshire
LL20 8RB

Signed by order of the trustees



Mr Malcolm James
Company Secretary

6th October 2014

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Statement of Trustees' Responsibilities

Year ended 31st March 2014

The Trustees (who are also the directors of ECTARC Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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 that law the Trustees 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 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 the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

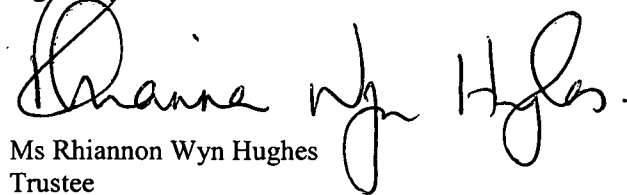
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 accounting 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed by order of the Trustees



Ms Rhiannon Wyn Hughes
Trustee

6th October 2014

Mitchell Charlesworth LLP

Chartered Accountants
24 Nicholas Street Chester

Independent Auditor's Report to the Trustees of ECTARC Limited

Year ended 31st March 2014

We have audited the financial statements of ECTARC Limited for the year ended 31st March 2014 on pages 12 to 20, which have been prepared on the basis of the accounting policies set out on pages 14 to 15.

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Annual Report, the Trustees (who are also act as directors of ECTARC Limited 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and financial statements to identify material inconsistencies with the audit financial statements. If we become aware of any apparent materials misstatements or inconsistencies we consider the implications for our report.

Mitchell Charlesworth LLP

Chartered Accountants
24 Nicholas Street Chester

Independent Auditor's Report to the Trustees of ECTARC Limited *(continued)*

Year ended 31st March 2014

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 31st March 2014 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and.
- have been prepared in accordance with the requirement of the Charities Act 2011.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matter where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



Rob Hall
(Senior Statutory Auditor)
For and on behalf of
Mitchell Charlesworth LLP
24 Nicholas Street
Chester
CH1 2AU

6th October 2014

**ECTARC LIMITED
COMPANY LIMITED BY GUARANTEE**

Statement of Financial Activities (Incorporating the Income and Expenditure Account)

Year ended 31st March 2014

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Incoming resources					
Incoming resources from generating funds:					
Charitable activities	2	518,076	635,146	1,153,222	1,199,582
Investment income	3	9,476	-	9,476	22,960
Other incoming resources	4	1,050	-	1,050	1,500
Total incoming resources		<u>528,602</u>	<u>635,146</u>	<u>1,163,748</u>	<u>1,224,042</u>
Resources expended					
Costs of generating funds:					
Charitable activities	5	418,858	629,234	1,048,092	(1,061,096)
Governance costs	6	17,051	5,912	22,963	(26,984)
Total resources expended		<u>435,909</u>	<u>635,146</u>	<u>1,071,055</u>	<u>(1,088,080)</u>
Net incoming resources before transfers	7	92,693	-	92,693	135,962
Transfer between funds		-	-	-	-
Net income for the year		<u>92,693</u>	<u>-</u>	<u>92,693</u>	<u>135,962</u>
Reconciliation of funds					
Total funds brought forward		1,243,889	-	1,243,889	1,107,927
Total funds carried forward		<u>1,336,582</u>	<u>-</u>	<u>1,336,582</u>	<u>1,243,889</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 14 to 20 form part of these financial statements.

**ECTARC LIMITED
COMPANY LIMITED BY GUARANTEE**

Balance Sheet

31st March 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	9	19,393	18,223
Current assets			
Debtors	10	284,373	361,746
Cash at bank		1,413,421	1,274,188
		<u>1,697,794</u>	<u>1,635,934</u>
Creditors: Amounts falling due within one year	11	<u>(380,605)</u>	<u>(410,268)</u>
Net current assets		1,317,189	1,225,666
Total assets less current liabilities		<u>1,336,582</u>	<u>1,243,889</u>
Net assets		<u>1,336,582</u>	<u>1,243,889</u>
Funds			
Restricted income funds	13	-	-
Unrestricted income funds	14	1,336,582	1,243,889
Total funds		<u>1,336,582</u>	<u>1,243,889</u>

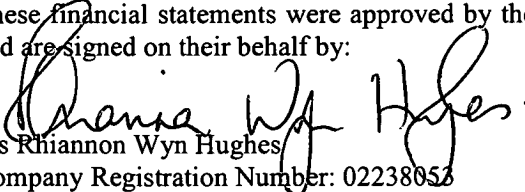
The Trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act. However it is required to have a statutory audit under the Charities Act 2011.

The Trustees acknowledge their responsibilities for:

- (i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the members of the committee on the 6th October 2014 and are signed on their behalf by:


Ms Rhianon Wyn Hughes

Company Registration Number: 02238053

The notes on pages 14 to 20 form part of these financial statements.

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31st March 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006.

Cash flow statement

The Trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Incoming resources

Income is recognised in the accounts based on the performance of the activity, deposits received in advance of the project are treated as deferred income.

Grants

Grants are recognised in full in the statement of financial activities in the year in which they are receivable.

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31st March 2014

1. Accounting policies

Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Costs of generating voluntary income are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Other resources expended are those incurred in connection with administration of the Charity. Governance costs relate to the compliance with constitutional and statutory requirement. There are no material support costs and therefore they have not been disclosed separately.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tenant's improvements – 10% on a reducing balance basis

Plant & Machinery - 25% on a reducing balance basis

Deferred income

Deferred income consists of resources received by the charity that do not meet the criteria for recognition as incoming resources in the Statement of Financial Activities as entitlement to the incoming resource does not exist at the balance sheet date.

Deferred income is not recognised in the Statement of Financial Activities until the charity is entitled to the incoming resource and instead is disclosed as a liability in the balance sheet.

**ECTARC LIMITED
COMPANY LIMITED BY GUARANTEE**

Notes to the Financial Statements

Year ended 31st March 2014

2. Charitable activity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Charitable activity				
HEFCW	-	85,724	85,724	100,000
Ecotec: re: Leonardo	-	514,731	514,731	479,938
Leonardo Inward	475,285	-	475,285	524,557
Europe Direct	-	34,818	34,818	47,296
Language courses	-	(127)	(127)	-
Grants receivable				
Denbighshire County Council - direct	30,291	-	30,291	35,291
Denbighshire County Council - re: lease	12,500	-	12,500	12,500
	<u>518,076</u>	<u>635,146</u>	<u>1,153,222</u>	<u>1,199,582</u>

3. Investment income

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Bank interest receivable	<u>9,476</u>	<u>9,476</u>	<u>22,960</u>

4. Other incoming resources

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Room hire	<u>1,050</u>	<u>1,050</u>	<u>1,500</u>

ECTARC LIMITED
COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31st March 2014

5. Costs of charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Total Funds 2014	Total Funds 2013
	£	£	£	£
Wages – generating voluntary income	10,799	10,799	21,598	21,592
Youth exchange costs - outward	-	421,017	421,017	452,406
Youth exchange costs – inward	315,178	-	315,178	302,230
Europe Direct expenses	-	36,843	36,843	35,684
Wages- charitable activities	54,263	111,321	165,584	159,216
Language courses	420	630	1,050	385
Building improvements	1,293	2,683	3,976	514
Heat and light	1,951	4,551	6,502	3,347
Printing, postage, stationery and advertising	1,190	1,784	2,974	4,424
Telephone and internet	3,532	8,241	11,773	11,254
Wages	6,035	14,080	20,115	20,331
Equipment rental	1,231	1,847	3,078	2,923
General expenses	22,033	14,038	36,071	31,901
Profit on foreign exchange	933	1,400	2,333	14,889
	<u>418,858</u>	<u>629,234</u>	<u>1,048,092</u>	<u>1,061,096</u>

6. Governance costs

	Unrestricted Funds	Restricted Funds	Total Funds 2014	Total Funds 2013
	£	£	£	£
Wages	12,383	4,126	16,509	16,521
Audit and accountancy fees	2,775	1,155	3,930	5,751
Legal and professional fees	1,893	631	2,524	4,712
	<u>17,051</u>	<u>5,912</u>	<u>22,963</u>	<u>26,984</u>

7. Net incoming resources for the year

This is stated after charging:

	2014	2013
	£	£
Auditor's fees	<u>3,650</u>	<u>3,250</u>

ECTARC LIMITED

COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31st March 2014

8. Staff costs and emoluments

Total staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	227,268	217,833
Social security costs	18,565	17,948
	<u>245,833</u>	<u>235,781</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2014	2013
	No	No
Number of administrative staff	<u>14</u>	<u>17</u>

No employee received remuneration of more than £60,000 during the year (2013 - Nil).

9. Tangible fixed assets

	Tenant's improvements £	Other plant & machinery etc. £	Total £
Cost			
At 1st April 2013	28,511	73,690	102,201
Additions	-	6,072	6,072
At 31st March 2014	<u>28,511</u>	<u>79,762</u>	<u>108,273</u>
Depreciation			
At 1st April 2013	20,700	63,278	83,978
Charge for the year	781	4,121	4,902
At 31st March 2014	<u>21,481</u>	<u>67,399</u>	<u>88,880</u>
Net book value			
At 31st March 2014	<u>7,030</u>	<u>12,363</u>	<u>19,393</u>
At 31st March 2013	<u>7,811</u>	<u>10,412</u>	<u>18,223</u>

10. Debtors

	2014	2013
	£	£
Trade debtors	202,828	293,831
Other debtors	80,397	66,202
Prepayments	1,148	1,713
	<u>284,373</u>	<u>361,746</u>

ECTARC LIMITED
COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31st March 2014

11. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	96,971	164,373
Other creditors	283,634	245,895
	<u>380,605</u>	<u>410,268</u>

12. Deferred income

	2014	2013
	£	£
Balance brought forward	241,555	98,918
Amount released to incoming resources	(241,555)	(98,918)
Amount deferred in the year	279,983	241,555
Balance carried forward	<u>279,983</u>	<u>241,555</u>

Deferred income comprises grants received which are to be used in future accounting periods.

13. Restricted income funds

	Balance at 1 Apr 2013	Incoming resources	Outgoing resources	Transfers	Balance at 31 Mar 2014
	£	£	£	£	£
General Funds	<u>-</u>	<u>635,146</u>	<u>(635,146)</u>	<u>-</u>	<u>-</u>

General Restricted Funds

The funding provided by Ecotec for the Leonardo da Vinci outwards programme and the Europe Direct programme are treated as restricted funds.

14. Unrestricted income funds

	Balance at 1 Apr 2013	Incoming resources	Outgoing resources	Transfers	Balance at 31 Mar 2014
	£	£	£	£	£
General funds	<u>1,243,889</u>	<u>528,602</u>	<u>435,909</u>	<u>-</u>	<u>1,336,582</u>

ECTARC LIMITED COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements

Year ended 31st March 2014

15. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Total £
Unrestricted Income Funds:			
General Funds	19,393	1,317,189	1,336,582
	<u>19,393</u>	<u>1,317,189</u>	<u>1,336,582</u>
Restricted Income Funds:			
Restricted Funds	-	-	-
Total Funds	<u>19,393</u>	<u>1,317,189</u>	<u>1,336,582</u>

16. Related party transactions

A representative from Denbighshire County Council chairs the Board of Directors meetings at ECTARC.

During the year ECTARC received a grant of £30,291 (2013 - £35,291) from Denbighshire County Council towards running costs. Denbighshire County Council also allowed ECTARC to lease its premises on Parade Street at a peppercorn rental. The value of this lease has been assessed at £12,500 per annum.

The amounts owing to Denbighshire County Council at 31st March 2014 was £nil (2013 - £82,178), this relates to the ECTARC payroll which is processed by Denbighshire County Council and repaid in arrears.

17. Company limited by guarantee

The company is limited by guarantee and does not have a share capital. The liability of the members of the company is such that it will not exceed £1.