QCDA Enterprises Limited (formerly QCA (Enterprises) Limited)

Directors' Report and Financial Statements

Registered number 926649

31 March 2011

Contents

Directors' Report

The Directors present their Directors' Report and Financial Statements for the year ended 31 March 2011

Principal activities

The principal activity of the company, up until the decision to cease trading, was to act as a trading vehicle for the Qualifications and Curriculum Development Agency During the year the company continued to sell educational materials, and to license the use of intellectual property arising from QCDA activities

Business review

Sales of optional tests were adversely affected in the year by assessment policy uncertainties which had resulted in the postponement of new KS2 test development New KS3 test materials were launched To maintain alignment with national curriculum. www mycurriculum com was hosted and maintained as a free service to schools Legacy publications were offered for download free of charge in line with Re-use of Public Sector Information regulations

On 2 June 2010 the company changed its name to QCDA Enterprises Limited.

Results

The profit on ordinary activities before taxation for the year amounted to £1,194,593 (2010 £2,198,178)

The income and property of the company was applied solely towards the promotion of the objects of QCDA Enterprises Limited

Future developments

On 27 May 2010 Rt. Hon Michael Gove MP, the Secretary of State for Education, wrote to Christopher Trinick DL, Chair of QCDA Enterprises Limited's holding company, QCDA, confirming the Government proposed to introduce legislation to abolish the QCDA in the autumn of 2010 Following on from this, in February 2011, the QCDA Enterprises Limited's Board decided to seek to cease trading by the autumn of 2011, transferring trading activities where possible The Company will remain in existence until 31 March 2012 when QCDA as the controlling party will cease to exist. It is anticipated that funds will be available to meet all liabilities as they fall due Any residual cash will be distributed to QCDA as the sole shareholder

QCDA Enterprises Limited will continue to publish educational material and license QCDA intellectual property up until the date it formally ceases to trade

Directors

The Directors and Secretaries who served during the year were as follows

Nicholas Stuart (resigned 17 June 2010)	Director
Andrew Hall (resigned 1 April 2010)	Director
Scott Dobbie (resigned 9 February 2011)	Director
Roy Clare (appointed 26 May 2010, resigned 9 February 2011)	Director
Lin Hinnigan (appointed 26 May 2010)	Director
Tony Grimshaw (appointed 9 February 2011)	Director
Temple Secretaries	Company Secretary

Political and charitable contributions

The Company made no political or charitable donations during the year

Directors' Report *(continued)*

Disclosure of information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the Auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

Lin Hinnigan
Director

53-55 Butts Road
Earlsdon Park
Coventry
CV1 3BH

7th June 2011

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Directors' Report 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 they have elected to prepare the Financial Statements in accordance with IFRS as adopted by the EU 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 profit or loss 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 judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRS as adopted by the EU, and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business As explained in note 2, the directors do not believe that it is appropriate to prepare these accounts on a going concern basis

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of QCDA Enterprises Limited (formerly QCA (Enterprises) Limited)

We have audited the financial statements of QCDA Enterprises Limited for the year ended 31 March 2011 as set out on pages 6 to 14 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS's) as adopted by the EU. These financial statements have not been prepared on a going concern basis for the reasons set out in note 2 to the financial statements

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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 APB's web-site 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 March 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS's as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditor's report to the members of QCDA Enterprises Limited (formerly QCA (Enterprises) Limited) *(continued)*

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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

Chris Hearld

Chris Hearld (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

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Statement of Comprehensive Income

for the year ended 31 March 2011

	Note	31 March 2011 £	31 March 2010 £
Revenue	3	3,841,518	5,230,329
Cost of sales		(1,109,196)	(1,478,500)
Gross Profit		2,732,322	3,751,829
Administration Expenses		(892,185)	(703,377)
Distribution Expenses		(646,504)	(850,584)
Operating profit		1,193,633	2,197,868
Financial income	6	960	310
Profit before tax		1,194,593	2,198,178
Taxation	7	(334,486)	(615,490)
Profit for the year	11	860,107	1,582,688
Other comprehensive income for the year		-	-
Total comprehensive income for the year		860,107	1,582,688

Statement of Financial Position

At 31 March 2011

	Note	31 March 2011 £	31 March 2010 £
Current assets			
Inventories	*8*	30,000	213,945
Trade and other receivables	*9*	1,905,281	2,060,798
Cash and cash equivalents		2,573,672	1,197,350
Total assets		4,508,953	3,472,093
Current liabilities			
Trade and other payables	*10*	2,036,452	1,859,699
Total liabilities		2,036,452	1,859,699
Net assets		2,472,501	1,612,394
Members' funds			
Retained earnings	*11*	2,472,501	1,612,394
Total equity		2,472,501	1,612,394

These Financial Statements were approved by the board of Directors on 7th June 2011 and were signed on its behalf by.

Lin Hinnigan
Director

Cash Flow Statement
for year ended 31 March 2011

	Note		31 March 2011 £		31 March 2010 £
Operating Profit			1,193,633		1,582,378
Decrease in trade and other receivables	*9*	155,517		95,298	
Decrease / (increase) in inventories	*8*	183,945		(73,875)	
Increase / (decrease) in trade and other payables (excluding Corporation Tax)	*10*	651,520		(799,471)	
			990,982		(778,048)
Tax paid			(809,253)		-
Net cash from operations			1,375,362		804,330
Finance income	*6*		960		310
Net increase in cash			1,376,322		804,640
Opening cash position			1,197,350		392,710
Closing cash position			2,573,672		1,197,350

Notes
(forming part of the financial statements)

1 Status of the company

The company is limited by guarantee Members' liability is limited to £1 in the event of the winding up of the company

2 Accounting policies

QCDA Enterprises Limited (the "Company") is a company incorporated and domiciled in the UK.

The company financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs")

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

Basis of preparation

The financial statements have not been prepared on the going concern basis because it is anticipated that the company will cease trading during 2011-12 No adjustments were necessary to the amounts at which the net assets are included in these financial statements.

On 27 May 2010 Rt Hon Michael Gove MP, the Secretary of State for Education, wrote to Christopher Trinick DL, Chair of QCDA Enterprises Limited's holding company, QCDA, confirming the Government proposed to introduce legislation to abolish the QCDA in the autumn of 2010 Following on from this, in February 2011, the QCDA Enterprises Limited Board decided to seek to cease trading by the autumn of 2011, transferring trading activities where possible The Company will remain in existence until 31 March 2012 when QCDA as the controlling party will cease to exist It is anticipated that funds will be available to meet all liabilities as they fall due Any residual cash will be distributed to QCDA as the sole shareholder

Measurement convention

The financial statements are prepared on the break up basis

Inventories

Inventories are stated at the lower of cost and net realisable value It is anticipated that on the cessation of trading inventories will be sold at no lower than their current carrying value.

Revenue

Income is accounted for on an accruals basis

Notes *(continued)*

2 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years
Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date
A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement

3 Revenue

Revenue (arising from continuing activities) represents royalties received, sales of publications excluding value added tax and sales of licences from vocational qualifications database The breakdown for the revenue is as follows

	2011 £	2010 £
Sale of goods	3,587,095	4,606,048
Royalties	172,012	203,972
Delivery charges	82,411	420,309
Total revenues	3,841,518	5,230,329

4 Expenses and auditor's remuneration

Included in operating profit are the following

	2011 £	2010 £
Auditor's remuneration		
Audit of these financial statements	13,000	15,500
Other services relating to taxation	3,312	1,763

5 Staff numbers and costs

There are no employees directly employed by the company The directors noted on page 1 of the financial statements did not receive remuneration from the company *(2010. £ nil)* The QCDA management charge includes a recharge in respect of director and employee services (see note 15)

Notes *(continued)*

6 Finance income and expense

Recognised in profit or loss is the following

	2011 £	2010 £
Finance income		
Interest income	960	310
Total finance income	960	310

7 Taxation

Recognised in the income statement

	2011 £	2010 £
Current tax expense		
Current year	334,486	615,490
Total tax expense	334,486	615,490

Reconciliation of effective tax rate

	2011 £	2010 £
Profit for the year	1,194,593	2,198,178
Total tax expense	334,486	615,490
Tax using the UK corporation tax rate of 28 %	334,486	615,490
Total tax expense	334,486	615,490

There are no timing differences or items of expenditure that are not deductable for tax purposes. Therefore the effective rate of tax in the year is 28% *(2010 28%)*

Notes *(continued)*

8 Inventories

	31 March 2011 £	31 March 2010 £
Finished goods	30,000	213,945

The above net position was made up of gross stock and provision as follows·

	31 March 2011 £	31 March 2010 £
Gross finished goods	210,139	310,278
Provision	(180,139)	(96,333)
Net finished goods	30,000	213,945

Stock is valued at the lower of cost and net realisable value In arriving at the valuation of stock at 31 March 2011, the Directors' have considered potential future sales up to the cessation of trading It is estimated that stock costing £30,000 will be used in generating sales in 2011-12

9 Trade and other receivables

	31 March 2011 £	31 March 2010 £
Trade receivables	1,696,490	1,570,501
Other receivables	143,473	229,495
Accrued Income	65,318	260,802
	1,905,281	2,060,798

No interest is charged on receivables The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Aged analysis of trade receivables

	31 March 2011			31 March 2010		
	Gross Receivables £	Provision for doubtful debt £	Net trade receivables £	Gross Receivables £	Provision for doubtful debt £	Net trade receivables £
Not past due	1,690,436	-	1,690,436	1,569,944	-	1,569,944
Up to 1 month past due	5,829	-	5,829	557	-	557
Over 1 month past due	12,960	(12,735)	225	47,676	(47,676)	-
	1,709,225	(12,735)	1,696,490	1,618,177	(47,676)	1,570,501

Notes *(continued)*

10 Trade and other payables

	31 March 2011 £	31 March 2010 £
Current		
Trade payables to parent undertaking	**602,472**	111,412
Other trade payables	**960,906**	1,091,699
Non-trade payables and accrued expenses	**332,351**	41,098
Corporation tax payable	**140,723**	615,490
	2,036,452	1,859,699

Trade payables and other creditors comprise amounts outstanding for trade purchases and ongoing costs The directors consider that the carrying amount of trade payables approximates to their fair value

11 Capital and reserves

Reconciliation of movement in Member' Funds

	31 March 2011 £	31 March 2010 £
Profit for the financial year	**860,107**	1,582,688
Net movement in Members' Funds	**860,107**	1,582,688
Opening Members' Funds	**1,612,394**	29,706
Closing Members' Funds	**2,472,501**	1,612,394

12 Financial instruments

The Company's principal financial instruments are intercompany loans, cash, trade receivables and trade payables The main risks arising from the Company's financial instruments are liquidity risk and credit risk The board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Company's principal financial assets are cash and receivables The Company's credit risk is primarily attributable to trade receivables Trade receivables are included in the statement of financial position net of doubtful receivables, estimated by the Company's management based on prior experience and their assessment of current economic conditions

At the statement of financial position date the Directors consider there to be no significant credit risk

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and intercompany loans

Notes *(continued)*

12 Financial instruments (continued)

Effective interest rates

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the statement of financial position date and the periods in which they mature or, if earlier, are repriced.

Financial Instrument	*Effective Interest Rate*	*< 1 year* £	*1 to < 2 years* £	*2 to < 5 years* £	*5 years and over* £
Cash	*0 1%*	*2,573,672*	-	-	-

13 Capital management

The Company manages its capital structure and makes appropriate decisions in light of the current economic conditions and strategic objectives .

There has been no change in the objectives, policies or processes with regards to capital management during the years ended 31 March 2011 and 31 March 2010

14 Capital commitments

	2011 £	2010 £
Contracts placed for future capital expenditure not provided in the financial statements	-	-

15 Related parties

The Company pay a Management charge to QCDA in respect of staff and overhead costs, amounting to £527,123 *(2010 £527,123)* Purchases of materials from QCDA amounted to £355,845*(2010 £215,000)*

At the year end the Company had an outstanding creditor due to QCDA of £602,472 (*2010* £111,412*)*

16 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of the Qualifications and Curriculum Development Agency (QCDA). which is the ultimate parent undertaking. The ultimate controlling party is QCDA of 53-55 Butts Road, Earlsdon, Coventry CV1 3BH

The smallest and largest group in which the results of the Company are consolidated is that headed by QCDA The consolidated financial statements of this group are available to the public and may be obtained from The Stationery Office Limited or the company website www tso co uk