

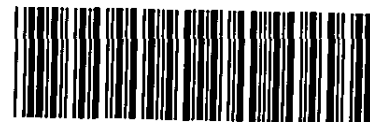
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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2012**

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 JULY 2012**

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<b>Trustees</b>	J Chappelle, Principal Cllr B Burnett (resigned 4 July 2012) H Biddle M Brown Cllr C Davie K Hindmarsh G Holt (resigned 4 July 2012) P Kemp (appointed 4 July 2012) A Lascelles Cllr G Marsh V Nixon
<b>Company registered number</b>	1802908
<b>Charity registered number</b>	515473
<b>Registered office</b>	Milford Court Warwick Road Lincolnshire LN11 0YB
<b>Company secretary</b>	J Chappelle
<b>Auditors</b>	Streets Audit LLP Chartered Accountants and Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
<b>Solicitors</b>	Langleys Olympic House 995 Doddington Road Lincoln LN6 3SE  Sills & Betteridge 46 Silver Street Lincoln LN2 1ED
<b>Bankers</b>	Lloyds TSB Nottingham BSC 11 Low Pavement Nottingham NG1 7DQ

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 JULY 2012**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of East Lindsey Information Technology Centre (the company) for the year ended 31 July 2012. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**Structure, governance and management**

**CONSTITUTION**

East Lindsey Information Technology Centre is a registered Charity, number 515473, and a registered Company, number 1802908. Its governing document is its Articles of Association.

The company carries out its activities under the trading name of "First College".

The financial statements comply with current statutory requirements and the charity's governing document and Statement of Recommended Practice Accounting and Reporting by Charities.

**METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The Charity may by ordinary resolution appoint a person willing to act as a trustee. For appointment at an AGM, formal notice is required as specified in the memorandum and articles. The existing trustees may appoint a person who is willing to act as a trustee. There is no maximum number of trustees but there must be at least 3 in office at any time.

**POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

On appointment, all new Trustees will be provided with the following documents:

- Memorandum of Association
- Articles of Association
- Charity Commission Guidance CC3 - Responsibility of Charity Trustees
- The latest Strategic Business Plan and a copy of the latest Financial Statements

**ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The registered office and names and addresses of Advisers are set out on the Index page.

The directors during the year under review are set out on the Index page. No remuneration was paid nor expenses reimbursed to them during the year. However some of the directors represent companies that purchase training services from the company detailed in note 17.

The Company's premises are in Louth and Skegness. First College provides learning through its centres, outreach delivery and employers premises.

East Lindsey ITeC is sponsored by 8 local organisations, including the East Lindsey District Council and Lincolnshire County Council. Each sponsor organisation provides up to two people to serve as directors and trustees on the East Lindsey ITeC Board. The Board sets policy, monitors progress and strives to provide good and sound governance.

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**(continued)**  
**FOR THE YEAR ENDED 31 JULY 2012**

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The Senior Management Function for First College has been deployed between two equal Senior Manager roles which report directly to the Board of Trustees. These are the Business Manager and the Learning Contracts Manager.

The **Business Manager** is responsible for leading company strategic planning and the implementation of policy and also has the responsibility of ensuring that the company meets all legislative requirements including personnel, charity commission, health and safety, safeguarding and equality and diversity. In addition, responsibility for the company's finance, administrative activities and the securing of new contracts/new opportunities.

The **Learning Contracts Manager** is responsible for the delivery of all learning operations of the college including contract delivery. Also ensures that the college meets all self-assessment and quality requirements including internal and external audits and/or inspections. In addition, supports strategic planning and implementation of policy.

The First College organisational structure for the 2011/2012 year was based on the **Learning/Business Function**. The Learning Areas are Business, Early Years, Employability, Foundation, Hospitality, Recruitment and School Meals. Each learning area has one person designated as a Team Leader. Team Leaders take a leading role in operational, performance and quality development matters.

The **Learning Development Manager (LDM)** is responsible for identifying creative and innovative solutions for achieving learner aims that both integrate and streamline all learning delivery whilst promoting effective and efficient team working. The LDM will review and implement revised learner QMM processes providing staff with clear instruction.

The **Employer Engagement Manager (EEM)** is responsible for identifying new employer opportunities and the development of an effective employer/customer management system. The EEM will ensure that the relationship with each employer is managed effectively, that training solutions are delivered and contact maintained at appropriate intervals in accordance with current quality standards.

The **Lead IQA** is responsible for ensuring that learning programmes, support provided to staff, processes and systems are continually monitored for maximum effectiveness and cross-college consistency. The Lead IQA will take a lead role in all matters relating to quality improvement including assessment, internal verification, awarding body liaison and ENVQ.

The **Quality Assurance Team (QA)** consists of the QA representative from each learning function, the Learning Development Manager and is led by the Learning Contracts Manager. The role of the QA Team is to ensure that Learning Programmes are delivered in accordance with Contract, Inspectorate and External Body requirements. The QA Team is tasked to provide best practice in quality related matters including continuous improvement for the benefit of all Learners, to recognise and implement good practice and to monitor performance against targets and objectives, taking preventative and corrective actions as appropriate and necessary. Other staff including the Employer Engagement Manager, Health and Safety / Equality & Diversity Manager are invited to attend quality assurance meetings to cover specific agenda items.

The **Strategy Group** is led by the Business Manager and consists of the Learning Contracts Manager and Finance Manager. The Strategy Group considers operational and strategic issues. It consults and liaises with Staff, Managers and Trustees as appropriate.

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**(continued)**  
**FOR THE YEAR ENDED 31 JULY 2012**

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**Working Groups**

The organisational structure is supplemented and supported by **Working Groups** comprised of staff from various areas to concentrate on specific topics and tasks. Staff wishing to join Working Groups should speak with their Line Manager in the first instance. A wide involvement by staff is welcomed and encouraged. The Working Groups listed here are active in 12/13 -

- Internal Quality Verification and Assessment Standardisation Group
- Compliance group
- Quality Systems / Self Assessment and Inspection Working Group (QSWG)
- Remuneration Committee

An outline for each Working Group is given below

**Internal Quality Assurance Assessment and Standardisation Group**

The Learning Development Manager/Lead IQA leads this group which is responsible for ensuring best practice and standardisation across the whole college with all internal quality assurance and assessment processes

**Compliance Group**

The Health and Safety Manager leads this group which is responsible for ensuring that First Colleges legal obligations in relation to Health & Safety, Safeguarding, Welfare and Equality & Diversity are met. The group also considers Employment Law matters as and when there are proposed changes or confirmed changes to legislation. The Business Manager leads on the Employment Law issues when they arise. All First College Policy documents are reviewed on an ongoing basis by this group. The group is attended by The Health and Safety Manager, The Business Manager and The Personnel Adviser

**Quality Systems / Self Assessment and Inspection Working Group (QSWG)**

The Quality Assurance Manager leads this group which keeps First College up-to-date on best practice in quality related matters, maintains the QMM and Staff Handbook. The group takes a leading role in all matters relating to self-assessment, audit, action planning and external inspection, whilst liaising closely with the Internal Quality Assurance Assessment and Standardisation and Compliance groups. The group is also attended by the Learning Development Manager/LQA/LIV and Administration Officer

**Remuneration Committee**

A selected group of Trustees and the Business Manager carry out an annual review of staff terms and conditions of service including salary, pension and travel arrangements. The group considers all matters relating to staff welfare and discipline

**Data Protection**

The Board will consider Data Protection issues at its Board Meetings on an ongoing basis and will annually review all policies that relate to Data Protection

**Safeguarding**

The Board will consider Safeguarding issues at its Board Meetings on an ongoing basis and will annually review all policies that relate to Safeguarding

**Note:** Other Staff Groups and/or Forums are brought together from time to time to address matters that may require a specific input, these can include Marketing etc

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**(continued)**  
**FOR THE YEAR ENDED 31 JULY 2012**

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**RISK MANAGEMENT**

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks

**Objectives and Activities**

**POLICIES AND OBJECTIVES**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the charity commission relating to public benefit

The charities objectives as set out within the Memorandum of Association of East Lindsey Information Technology Centre are

1. The promotion and advancement of education and training of the public including long term unemployed to acquire vocational qualifications and work related skills as required by local employers and industries and to meet national government targets by means of both instructor led, self study courses and the provision of practical experience
- 2 The relief of unemployment for the public benefit in such a way as may be thought fit, including assistance to find employment

Additionally set out within our Business plan we have the following company objectives

- 1 To remain financially viable
- 2 To provide high quality learning services
- 3 To provide staff with a positive, rewarding and safe working environment

The company vision is to deliver high quality learning that raises participation and attainment while meeting the individual needs of learners through collaborative partnership working and employer engagement First College is established to promote and provide for the advancement of the education and training of young persons and adults

First College works closely with some 250 local employers and with Schools and Colleges of Further Education First College primarily serves the East Lindsey area to the benefit of young people and adults with training, attaining recognised qualifications and employment First College is a member of the Work Based Academy Ltd of Lincolnshire and Rutland and a member of the Association of Employment Learning Providers, which is the national body representing provider views

**Achievements and performance**

**GOING CONCERN**

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future For this reason they continue to adopt the going concern basis in preparing the financial statements Further details regarding the adoption of the going concern basis can be found in the Accounting Policies

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**(continued)**  
**FOR THE YEAR ENDED 31 JULY 2012**

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**REVIEW OF ACTIVITIES**

Key priorities and performance targets were set out in the company's business plan for 2011/2012

**Key Priorities for 2011/2012 and results**

- Identify and secure new contracts / funding streams and retention of existing contracts / sub contracts

*First College has retained its Skills Funding Agency Contract and also our contract with A4E for the delivery of The Work Programme. We have added a contract to our portfolio with a successful bid to Derby Business College to deliver a new contract to them and us, which is to support local people who are shorter term unemployed or who have been made redundant*

*In addition, First College has continued to deliver for the City of Lincoln Council, Boston College, Lincoln College and in partnership with Skegness College of Vocational Training*

- Achievement of existing Contracts / Sub-Contracts

*Skills Funding Agency – 55% growth*

*The Work Programme – Performance relevant to referrals Referrals currently at 50%*

*Boston College Employer Responsive – Achieved 100%*

*Lincoln College Employer Responsive – Achieved 35%*

*Boston College Unemployed Units – Achieved 50%*

*Lincoln College Foundation – Achieved 100%*

- Continue to build / foster partnerships

*All of our key partnerships remain in place and continue to be healthy and positive, these include A4E, Boston College, Lincoln College, City of Lincoln Council, Skegness Vocational College, Compass Point Business Services, East Lindsey District Council, Lady Jane School and Butlins*

*First College continue to play a leading role in the activities of The Work Based Academy*

- E-learning

*There has been an improvement in take up of e learning in most areas 80% of AAT is now delivered via e learning Technical Certificates, Key Skills/Functional Skills are all delivered via e learning First College is currently looking at another system called 'One File'*

- Minimum Levels of Performance/Success rates/Job outcome rates

*MLP – 63% and improving*

*Success rate – 81%*

*Job Outcome rate – 50%*

- Employer Engagement

*Increased activity across the year e.g. letters, emails, telephone calls to Employers using additional staff First College has been promoting the Apprenticeship Grant for Employers and The Wage Incentive Grant. This has helped to raise the profile of First College along with other actions and activities. We have seen increased referrals to our Recruitment Team and our Employability Team across the year. A new electronic newsletter has been introduced*



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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
(A company limited by guarantee)

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**TRUSTEES' REPORT**  
(continued)  
**FOR THE YEAR ENDED 31 JULY 2012**

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- Reduction of paper and carbon footprint

*First College has introduced Electronic Learner files via the City of Lincoln Council which means no paper being used. We are also using electronic quality assurance files throughout our Employability Team. First College is generally monitoring paper and print usage which has fallen this year whereas staff travel has increased. This area is noted and actions to improve this are in place.*

- Continue to be aware of local School Meals Tendering arrangements

*No major news but keeping in touch*

*Seathorne School Kitchens are being built. Contract in place until November with First College.*

*Contracts in place for Ingoldmells, Mablethorpe (new) and Skegness Junior via The Skegness Academy (run by The Greenwood Dale Foundation).*

*Normal contracts are in place with The Viking, Richmond, Burgh and Hogsthorpe schools.*

- Successful transition to the new Work Programme

*This has been a difficult transition but things are now improved. Internally the change has been managed well. The outcomes are proving difficult.*

**Operational Targets for 2011/2012 and results**

- Across all Learning delivery achieve a minimum success rate of 77%

*Achieved All Learning 81%, Intermediate Apprenticeships 90%, Foundation Apprentice 74%*

- Achieve less than 5% variance between Success rate and Timely achievement

*Achieved 79.5%*

- Achieve at least 57% Minimum Levels of Performance (MLP)

*Achieved 63%*

- Achieve The Work Programme Job Outcome rate of 57%

*Not achieved 50%*

- Achieve the Work Programme Sustained Job Outcome Rate of 57%

*Not achieved 37%, a shortfall of 18%*

- Achieve the Work Programme progression into Learning rate of 57%

*Not Measured by A4E as yet*

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**(continued)**  
**FOR THE YEAR ENDED 31 JULY 2012**

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**Planned Developments 2011/12 and results**

Review all ICT Resource, the provision of data electronically and the delivery of new Learning requirements i.e ICT Functional Skills

*During 2011/2012 Staff laptops have been updated and upgraded in many cases, so that no one is running with old hardware or software In addition to this more Learner laptops have been purchased*

Review and update all marketing materials

*First College has produced within the year a new A4 and A5 professionally produced colour brochure promoting Apprenticeships There has also been an A5 brochure promoting The Work Programme*

Review and update all Strategy documents

*Carried forward to 2012/2013 as a Planned development*

Introduce via FC website electronic survey and feedback routines ensuring that quality standards and contract requirements are maintained

*Health and Safety Survey completed*  
*Currently using the Skills Funding Agency electronic surveys*

Look at all paperwork and learning processes so that these can be minimised and improved

*Electronic files are being used for The City of Lincoln contract*  
*Electronic IQA files*  
*Improved use of the Management information system*

5% of First College staff to be working towards Apprenticeship programmes

*Achieved- 18%*  
*Completed and achieved – Advanced Modern Apprenticeship*  
*Natalie Askew, Ruth Clark and Kayleigh Pilgrim*  
*Completed and achieved – Foundation Modern Apprenticeship*  
*Julie Cartwright, Melanie Clark, Nick Goater, Ann Russell and Alison Smith*

Develop in-house provision for level 1 and 2 Learning

*Early Years through Lincoln College*  
*Early Years, Hospitality and AAT through SCVT*  
*Level 1 units for the unemployed (Hospitality)*  
*ASDAN units (Employability Team)*

Develop Functional skills programme and deliver to Learners / staff from Jan 12

*Achieved in June 2012*

The Directors feel that the company has successfully achieved its targets and objectives Staff were informed regarding performance results in terms of meeting Key priorities and meeting performance targets at the annual staff day held on 18th July 2012

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**(continued)**  
**FOR THE YEAR ENDED 31 JULY 2012**

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**Financial review**

**RESERVES POLICY**

A statement of Reserves can be found in Note 14 to the Financial Statements. The Charity holds Reserves to ensure funds are available to maintain high quality training facilities, including up to date equipment and a safe working environment. In addition, Reserves are held to ensure continuity in the event of a large variation in net income and to bridge cash flow problems. The Board aims to maintain an adequate level of Reserves. This is expected to be 3 months running costs and the cost of a planned and managed closure of the Charity.

Reserves have increased by £50,281 from activities during the year just ended.

**Plans for the future**

**FUTURE DEVELOPMENTS**

First College has produced a Business Plan for the financial year 2012/2013 which was approved by the Trustees of First College. Within the plan we recognise strengths, weaknesses, opportunities and threats following full consultation with staff. In addition, we again have a list of planned developments, priorities and targets as shown below.

Introduce the new company appraisal system

Carry out a review of staff travel and costs

Review the provision of MI data electronically

Review and update all Strategy documents

Introduce via FC website electronic survey and feedback routines ensuring that quality standards and contract requirements are maintained

Manage recruitment of 16-18 year old learners against Learners aged 25 plus and against level 2 and level 3 learning in line with SFA contract requirements

Implement employer management procedures compatible with the existing MI system

5% of First College staff to be working towards Apprenticeship programmes

Review and upgrade training room equipment and furniture where required

Introduce company standardised image in terms of clothing

Establish and operate 'The Big Idea (Lincolnshire CIC)'

Successful IIP re-assessment (February 2013)

Successful Ofsted monitoring visit (March 2013)

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT**  
**(continued)**  
**FOR THE YEAR ENDED 31 JULY 2012**

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**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of East Lindsey Information Technology Centre for the purposes of company law) are responsible for preparing the Trustees' 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 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 of the incoming resources and application of resources, including 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 judgments 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 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.

**PROVISION OF INFORMATION TO AUDITOR**

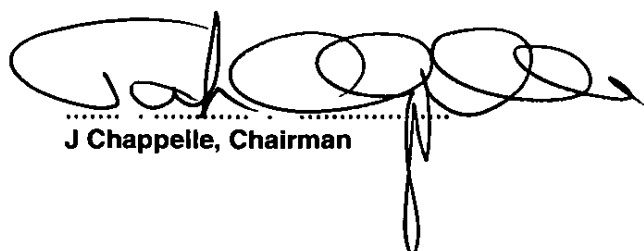
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that

- so far as that Trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 21 March 2013

and signed on their behalf by



J Chappelle, Chairman

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST LINDSEY INFORMATION  
TECHNOLOGY CENTRE**

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We have audited the financial statements of East Lindsey Information Technology Centre for the year ended 31 July 2012 which comprise the Statement of financial activities, the Balance sheet and the related notes. 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 charitable company's members, 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 charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company 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 to you 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2012 and of its incoming resources and application of resources, including its income and expenditure, 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.

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF EAST LINDSEY INFORMATION  
TECHNOLOGY CENTRE**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements, or
- the 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



**Streets Audit LLP**

Chartered Accountants and Statutory Auditor

Tower House  
Lucy Tower Street  
Lincoln  
LN1 1XW  
11 April 2013

Streets Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006

**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account)  
**FOR THE YEAR ENDED 31 JULY 2012**

	Note	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Voluntary income	2	840	-	840	1,160
Investment income	3	-	3,571	3,571	1,040
Incoming resources from charitable activities	4	-	1,449,331	1,449,331	1,355,872
<b>TOTAL INCOMING RESOURCES</b>		<b>840</b>	<b>1,452,902</b>	<b>1,453,742</b>	<b>1,358,072</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	6,7	2,207	1,396,504	1,398,711	1,277,220
Governance costs	5	-	4,750	4,750	5,075
<b>TOTAL RESOURCES EXPENDED</b>		<b>2,207</b>	<b>1,401,254</b>	<b>1,403,461</b>	<b>1,282,295</b>
<b>MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>(1,367)</b>	<b>51,648</b>	<b>50,281</b>	<b>75,777</b>
<i>Total funds at 1 August 2011</i>		<i>16,614</i>	<i>1,227,148</i>	<i>1,243,762</i>	<i>1,167,985</i>
<b>TOTAL FUNDS AT 31 JULY 2012</b>		<b>15,247</b>	<b>1,278,796</b>	<b>1,294,043</b>	<b>1,243,762</b>

The notes on pages 16 to 24 form part of these financial statements

**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 1802908**

**BALANCE SHEET**  
**AS AT 31 JULY 2012**

	Note	£	2012 £	£	2011 £
<b>FIXED ASSETS</b>					
Tangible assets	10		316,709		336,820
Investments	11		1		-
			<u>316,710</u>		<u>336,820</u>
<b>CURRENT ASSETS</b>					
Consumable stocks		1,379		1,243	
Debtors	12	202,282		145,379	
Cash at bank		952,370		904,325	
		<u>1,156,031</u>		<u>1,050,947</u>	
<b>CREDITORS:</b> amounts falling due within one year	13	(178,698)		(144,005)	
<b>NET CURRENT ASSETS</b>			<u>977,333</u>		<u>906,942</u>
<b>NET ASSETS</b>			<u>1,294,043</u>		<u>1,243,762</u>
<b>CHARITY FUNDS</b>					
Restricted funds	14		15,247		16,614
Unrestricted funds	14		1,278,796		1,227,148
<b>TOTAL FUNDS</b>			<u>1,294,043</u>		<u>1,243,762</u>



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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**BALANCE SHEET (continued)**  
**AS AT 31 JULY 2012**

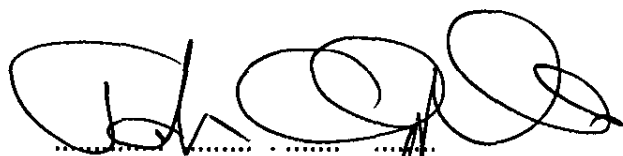
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The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 July 2012 and of its net incoming resources for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 21 March 2013 and signed on their behalf, by

  
.....  
**J Chappelle, Chairman**

  
.....  
**A Lascelles**

The notes on pages 16 to 24 form part of these financial statements

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2012**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

**1.2 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page . In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

**1.3 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 company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**1.4 Incoming resources**

All incoming resources are included in the Statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**1.5 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2012**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £250 are capitalised

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	4% straight line
S/Term Leasehold Property	-	10% straight line
Office equipment	-	33% straight line
Computer equipment	-	33/25% straight line

**1.7 Investments**

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

**1.9 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**1.10 Taxation**

The company is a registered Charity and the accounts are prepared on the basis that its activities are not liable for income tax or corporation tax.

Any input VAT deemed to be irrecoverable by virtue of the Company being partially exempt by the nature of its income is separately recognised in the Statement of financial activities.

**2. VOLUNTARY INCOME**

	<b>Restricted funds 2012 £</b>	<b>Unrestricted funds 2012 £</b>	<b>Total funds 2012 £</b>	<b>Total funds 2011 £</b>
ELDC Cookery Club	<b>840</b>	<b>-</b>	<b>840</b>	<b>1,160</b>

**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2012**

**3. INVESTMENT INCOME**

	<b>Restricted funds 2012 £</b>	<b>Unrestricted funds 2012 £</b>	<b>Total funds 2012 £</b>	<b>Total funds 2011 £</b>
Bank interest	-	3,571	3,571	1,040
	<u>-</u>	<u>3,571</u>	<u>3,571</u>	<u>1,040</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Restricted funds 2012 £</b>	<b>Unrestricted funds 2012 £</b>	<b>Total funds 2012 £</b>	<b>Total funds 2011 £</b>
Adult income	-	297,235	297,235	403,403
Youth income	-	1,023,922	1,023,922	755,276
Placement and college fee contributions	-	-	-	18,980
Commercial training and services	-	128,174	128,174	178,213
	<u>-</u>	<u>1,449,331</u>	<u>1,449,331</u>	<u>1,355,872</u>

**5. GOVERNANCE COSTS**

	<b>Restricted funds 2012 £</b>	<b>Unrestricted funds 2012 £</b>	<b>Total funds 2012 £</b>	<b>Total funds 2011 £</b>
Auditors' remuneration	-	4,750	4,750	5,075
	<u>-</u>	<u>4,750</u>	<u>4,750</u>	<u>5,075</u>

**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2012**

**6. DIRECT COSTS**

	Charitable Activities £	Total 2012 £	Total 2011 £
Materials and purchases	147,620	147,620	166,298
Subcontract tutors	142,441	142,441	18,018
Staff travel	53,092	53,092	43,957
Telephone	9,058	9,058	8,942
Diploma expenses	-	-	2,774
Wages and salaries	775,919	775,919	764,370
National insurance	64,476	64,476	62,661
Pension cost	38,839	38,839	34,748
	<u>1,231,445</u>	<u>1,231,445</u>	<u>1,101,768</u>

The provision of education and training services is the sole activity of the charity

**7. SUPPORT COSTS**

	£	Total 2012 £	Total 2011 £
Rent and rates	20,318	20,318	21,298
Light and heat	8,503	8,503	6,665
Repairs and renewals	44,645	44,645	49,618
Advertising	6,294	6,294	6,993
Printing, postage and stationery	9,045	9,045	9,978
Insurance	4,948	4,948	7,080
Legal and professional	4,775	4,775	6,484
Bank charges	5	5	35
VAT absorbed	16,428	16,428	17,872
Sundry	14,419	14,419	11,247
Hire of equipment	9,176	9,176	9,690
Bad debt provision	1,116	1,116	1,645
Depreciation	27,594	27,594	26,847
	<u>167,266</u>	<u>167,266</u>	<u>175,452</u>

**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2012**

**8. NET INCOME / (EXPENDITURE)**

This is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the charity	27,596	26,847
Auditors' remuneration	4,750	5,075
Pension costs	38,839	34,748
	<u>69,185</u>	<u>66,670</u>

During the year, no Trustees received any remuneration (2011 - £NIL)

During the year, no Trustees received any benefits in kind (2011 - £NIL)

During the year, no Trustees received any reimbursement of expenses (2011 - £NIL)

**9. STAFF COSTS**

Staff costs were as follows

	2012 £	2011 £
Wages and salaries	775,919	764,370
Social security costs	64,476	62,661
Other pension costs	38,839	34,748
	<u>879,234</u>	<u>861,779</u>

The average monthly number of employees during the year was as follows

	2012 No.	2011 No.
Administration	17	10
Sales	2	2
Trainers	30	33
	<u>49</u>	<u>45</u>

No employee received remuneration amounting to more than £60,000 in either year

**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2012**

**10. TANGIBLE FIXED ASSETS**

	Freehold property £	S/Term Leasehold Property £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 August 2011	572,271	92,568	79,880	196,489	941,208
Additions	-	-	4,041	3,444	7,485
At 31 July 2012	572,271	92,568	83,921	199,933	948,693
<b>Depreciation</b>					
At 1 August 2011	260,341	91,206	64,884	187,957	604,388
Charge for the year	12,280	174	10,204	4,938	27,596
At 31 July 2012	272,621	91,380	75,088	192,895	631,984
<b>Net book value</b>					
At 31 July 2012	299,650	1,188	8,833	7,038	316,709
At 31 July 2011	311,930	1,362	14,996	8,532	336,820

**11. FIXED ASSET INVESTMENTS**

	Investments in participating interests £
<b>Market value</b>	
At 1 August 2011	-
Additions	1
At 31 July 2012	1

The Big Idea (Lincolnshire) CIC had not traded as at 31 July 2012

**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2012**

**12. DEBTORS**

	2012 £	2011 £
Trade debtors	92,542	62,409
Other debtors	83,813	59,092
Prepayments and accrued income	25,927	23,878
	<u>202,282</u>	<u>145,379</u>

**13. CREDITORS:  
Amounts falling due within one year**

	2012 £	2011 £
Trade creditors	59,810	19,066
Social security and other taxes	46,865	39,215
Accruals and deferred income	72,023	85,724
	<u>178,698</u>	<u>144,005</u>

**14. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
<b>Designated funds</b>				
Designated Funds	2,567	-	(2,100)	467
<b>General funds</b>				
General Funds	1,224,581	1,452,902	(1,399,154)	1,278,329
Total Unrestricted funds	<u>1,227,148</u>	<u>1,452,902</u>	<u>(1,401,254)</u>	<u>1,278,796</u>
<b>Restricted funds</b>				
Learning & Skills Council	16,614	-	(1,367)	15,247
ELDC Cookery Club	-	840	(840)	-
	<u>16,614</u>	<u>840</u>	<u>(2,207)</u>	<u>15,247</u>
Total of funds	<u>1,243,762</u>	<u>1,453,742</u>	<u>(1,403,461)</u>	<u>1,294,043</u>



**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2012**

**14. STATEMENT OF FUNDS (continued)**

Designated funds represent the purchase of specific assets to the business and is equal to the net book value of those assets within the balance sheet. Depreciation is charged against the fund each year.

**Restricted Funds:**

Learning & Skills Council is made up of monies received to refurbish premises in Skegness to provide a centrally based training facility to increase engagement and participation in 14-19 and Apprenticeship provision. Costs are allocated directly with depreciation charged against the fund each year in respect of specific assets.

ELDC Cookery Club relates to monies received to financially aid cookery club membership.

**SUMMARY OF FUNDS**

	<b>Brought Forward</b> £	<b>Incoming resources</b> £	<b>Resources Expended</b> £	<b>Carried Forward</b> £
Designated funds	2,567	-	(2,100)	467
General funds	1,224,581	1,452,902	(1,399,154)	1,278,329
	<u>1,227,148</u>	<u>1,452,902</u>	<u>(1,401,254)</u>	<u>1,278,796</u>
Restricted funds	16,614	840	(2,207)	15,247
	<u>1,243,762</u>	<u>1,453,742</u>	<u>(1,403,461)</u>	<u>1,294,043</u>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Restricted funds</b> 2012 £	<b>Unrestricted funds</b> 2012 £	<b>Total funds</b> 2012 £	<b>Total funds</b> 2011 £
Tangible fixed assets	15,247	301,463	316,710	336,820
Fixed asset investments	-	1	1	-
Current assets	-	1,156,031	1,156,031	1,050,947
Creditors due within one year	-	(178,699)	(178,699)	(144,005)
	<u>15,247</u>	<u>1,278,796</u>	<u>1,294,043</u>	<u>1,243,762</u>

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**EAST LINDSEY INFORMATION TECHNOLOGY CENTRE**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2012**

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**16. PENSION COMMITMENTS**

The company operates a defined contribution personal pension plan that is open to all employees after completion of probationary service. The company contributes toward the pension scheme and employee's contributions are optional. The scheme is not contracted out. Free life assurance for an amount equal to annual salary is provided for those who join the pension scheme.

**17. RELATED PARTY TRANSACTIONS**

Some of the directors represent companies that purchase training services from the company. The total value of services provided was £10,891 (2011: £35,087).

	<b>Services Provided at 31.07.12 £</b>	<b>Services Provided at 31.07.11 £</b>	<b>Balance Outstanding at 31.07.12 £</b>	<b>Balance Outstanding at 31.07.11 £</b>
East Lindsey District Council	253	16,172	-	481
Lincolnshire County Council	5,850	18,615	-	-
Duncan & Toplis	4,553	-	-	-
J & A (International) Ltd	235	300	-	-
	<b>10,891</b>	<b>35,087</b>		<b>481</b>

**18. COMPANY LIMITED BY GUARANTEE**

The company has no shares but is limited by guarantee.