

Charity Registration No. 328154

Company Registration No. 02238053 (England and Wales)

**ECTARC LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 MARCH 2021**

# ECTARC LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Ms R W Hughes MBE Mrs S Cheshire A Virgo Mr N P Decourt	(Appointed 24 March 2021)
<b>Charity number</b>	328154	
<b>Company number</b>	02238053	
<b>Registered office</b>	Parade Street Llangollen Nth Wales LL20 8RB	
<b>Independent examiner</b>	Mitchell Charlesworth LLP 24 Nicholas Street Chester CH1 2AU	

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# ECTARC LIMITED

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# ECTARC LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 30 MARCH 2021

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The trustees present their report and financial statements for the year ended 30 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

The charity's objects are the promotion, maintenance, improvement of education and training within Wales, elsewhere in the United Kingdom and in the regions of Europe. The charity 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.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The trustees believe that the aims, objectives and services provided by the charity, reflected in the above paragraph, are compliant with the Charity Commission Guidance on Public benefit and the public benefit is further exemplified in the following statements of achievements and performance.

#### **Achievements and performance**

##### **Erasmus+ Inward**

##### **Programmes April 2020 to March 2021**

Despite liaison with partners regarding re-arranging dates for postponed groups we ended the year in a position where no international student activity took place due to Covid 19.

When ECTARC re-opens we will also have to take into account changes to immigration rules which will affect courses and work placements, the requirement for all English language course providers to be accredited and the fact that the UK government has decided not to take part in the next ERASMUS programme.

A range of diversification options will be looked at in the next year. There are some replacement schemes emerging in EU countries that may allow vocational students to continue programmes in Wales. The UK government's Turing Scheme and the Welsh government's new international mobility scheme may also offer opportunities.

##### **Staffing**

- February 2021 – Redundancy - Facilities Staff x 1

##### **Plans For The Future**

The overall financial performance for the year shows a loss of £46,321. 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 continue to consolidate and develop existing partnerships by actively promoting and marketing ECTARC services in order to attract new partners.

#### **Financial review**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

# ECTARC LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 30 MARCH 2021

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Following a deficit for the year of £46,321 the level of unrestricted reserves at 31 March 2021 are £481,775. This currently equates to over 2 years worth of expenditure.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Structure, governance and management**

The charity is a company limited by guarantee (number 02238053) and registered charity (number 328154) which is governed by its Memorandum and Articles of Association. The registered office is Parade Street, Llangollen LL20 8RB. Effective governance is delivered by a board who are also trustees. They are responsible for formulating strategies and policies for the company as a whole.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Ms R W Hughes MBE

Mrs S Cheshire

A Virgo

Mr N P Decourt

(Appointed 24 March 2021)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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.

The trustees' report was approved by the Board of Trustees.

*Rhiannon Wyn Hughes*

**Ms R W Hughes MBE**

Trustee

Dated: 21 January 2022

# ECTARC LIMITED

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ECTARC LIMITED

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I report to the trustees on my examination of the financial statements of ECTARC Limited (the charity) for the year ended 30 March 2021.

### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Mitchell Charlesworth LLP

24 Nicholas Street  
Chester  
CH1 2AU

Dated: .....

# ECTARC LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 30 MARCH 2021**

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		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<b>Income from:</b>			
Donations and legacies	3	56,319	92,746
Other trading activities	4	-	364
Investments	5	157	4,494
		<hr/>	<hr/>
<b>Total income</b>		56,476	97,604
		<hr/>	<hr/>
<b>Expenditure on:</b>			
Charitable activities	6	102,797	158,668
		<hr/>	<hr/>
<b>Net expenditure for the year/ Net movement in funds</b>		(46,321)	(61,064)
Fund balances at 31 March 2020		528,096	589,160
		<hr/>	<hr/>
<b>Fund balances at 30 March 2021</b>		481,775	528,096
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities, and has come from unrestricted funds.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# ECTARC LIMITED

## BALANCE SHEET

AS AT 30 MARCH 2021

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	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	10		212,714		214,698
Investments	11		1		1
			<u>212,715</u>		<u>214,699</u>
<b>Current assets</b>					
Debtors	12	10,498		24,170	
Cash at bank and in hand		266,370		292,867	
		<u>276,868</u>		<u>317,037</u>	
<b>Creditors: amounts falling due within one year</b>	13	(7,808)		(3,640)	
Net current assets			269,060		313,397
<b>Total assets less current liabilities</b>			<u>481,775</u>		<u>528,096</u>
<b>Income funds</b>					
Unrestricted funds			481,775		528,096
			<u>481,775</u>		<u>528,096</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 March 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 21 January 2022

*Rhiannon Wyn Hughes*

Ms R W Hughes MBE  
Trustee

Company Registration No. 02238053

# ECTARC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 MARCH 2021

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#### 1 Accounting policies

##### Charity information

ECTARC Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Parade Street, Llangollen, LL20 8RB, Nth Wales.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements and having due regard to the impact of COVID-19 as referred to in note 16, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

##### 1.5 Expenditure

# ECTARC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 MARCH 2021

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#### 1 Accounting policies

(Continued)

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 no been disclosed separately.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	0% (see below)
Property Improvements	10% Reducing balance
Plant & Machinery	25% Reducing balance

Freehold land and buildings are not depreciated. The reason for this being, the trustees consider the residual value of the property to be similar to the purchase price as the building is kept in a good state of repair. Any depreciation calculated would be immaterial.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# ECTARC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 MARCH 2021

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#### 1 Accounting policies

(Continued)

##### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

##### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# ECTARC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 MARCH 2021

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#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	3,193	92,746
Other coronavirus grants	53,126	-
	<u>56,319</u>	<u>92,746</u>
<b>Donations and gifts</b>		
ERASMUS+	(2,887)	92,746
Other	6,080	-
	<u>3,193</u>	<u>92,746</u>
<b>Grants receivable for core activities</b>		
Coronavirus Job Retention Scheme Grant	43,126	-
Other Coronavirus Support Grants	10,000	-
	<u>53,126</u>	<u>-</u>

# ECTARC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 4 Other trading activities

	<b>Total</b>	Unrestricted funds
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Room hire income	-	364

### 5 Investments

	Unrestricted funds	Unrestricted funds
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest receivable	157	4,494

### 6 Charitable activities

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff costs	70,700	64,252
Depreciation and impairment	1,984	2,560
Youth exchange costs - outward	-	2
Youth exchange costs - inward	299	58,218
Heat and light	6,033	9,621
Printing, postage, stationary and advertising	298	572
Telephone and internet	5,695	5,169
Equipment rental	-	1,154
General expenses	10,848	8,817
	<u>95,857</u>	<u>150,365</u>
Share of governance costs (see note 7)	6,940	8,303
	<u>102,797</u>	<u>158,668</u>

# ECTARC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Audit fees	-	4,183	4,183	-	3,726	3,726
Legal and professional	-	2,757	2,757	-	4,577	4,577
	<u>-</u>	<u>6,940</u>	<u>6,940</u>	<u>-</u>	<u>8,303</u>	<u>8,303</u>
Analysed between						
Charitable activities	-	6,940	6,940	-	8,303	8,303
	<u>-</u>	<u>6,940</u>	<u>6,940</u>	<u>-</u>	<u>8,303</u>	<u>8,303</u>

Governance costs includes payments to the auditors of £nil (2020- £nil) for audit fees.

### 8 Trustees

Two of the trustees received reimbursed travel expenses during the year of £NIL (2020 - £128).

### 9 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Number of administrative staff	<u>5</u>	<u>5</u>
<b>Employment costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	69,614	62,910
Social security costs	1,086	1,342
	<u>70,700</u>	<u>64,252</u>

There were no employees whose annual remuneration was £60,000 or more.

# ECTARC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 MARCH 2021

#### 10 Tangible fixed assets

	Freehold land and buildings	Property Improvements	Plant & Machinery	Total
	£	£	£	£
<b>Cost</b>				
At 31 March 2020	204,453	28,986	88,843	322,282
At 30 March 2021	204,453	28,986	88,843	322,282
<b>Depreciation and impairment</b>				
At 31 March 2020	-	25,137	82,447	107,584
Depreciation charged in the year	-	385	1,599	1,984
At 30 March 2021	-	25,522	84,046	109,568
<b>Carrying amount</b>				
At 30 March 2021	204,453	3,464	4,797	212,714
At 30 March 2020	204,453	3,849	6,396	214,698

#### 11 Fixed asset investments

		2021	2020
	Notes	£	£
<b>Cost or valuation</b>			
At 31 March 2020 & 30 March 2021			1
<b>Carrying amount</b>			
At 30 March 2021			1
At 30 March 2020			1
Other investments comprise:			
Investments in subsidiaries	15	1	1

# ECTARC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 MARCH 2021

#### 12 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	-	2,805
Amounts owed by subsidiary undertakings	-	13,995
Other debtors	8,916	5,843
Prepayments and accrued income	1,582	1,527
	<u>10,498</u>	<u>24,170</u>

#### 13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Other taxation and social security	3,735	1,014
Trade creditors	760	-
Other creditors	3,313	2,626
	<u>7,808</u>	<u>3,640</u>

#### 14 Related party transactions

At the year end the company was owed £NIL (2020 - £13,995) by Llangollen Day Nursery Limited, a company in which ECTARC Limited is the sole shareholder. This loan bears no right to interest and has no fixed repayment terms.

#### 15 Subsidiaries

These financial statements are separate charity financial statements for ECTARC Limited.

ECTARC Limited as the parent of a small group is exempt from preparing consolidated accounts.

Details of the charity's subsidiaries at 30 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Llangollen Day Nursery Limited	England and Wales	Childcare	Ordinary	100.00	

The companies registered office is, Parade Street, Llangollen, Nth Wales, LL20 8RB.

The investments in subsidiaries are all stated at cost.

# ECTARC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 30 MARCH 2021*

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### 16 COVID-19

The trustees continue to monitor the impact the current global pandemic has on the charity and where appropriate will make use of external sources of funding available including the government jobs retention scheme and any other grants available.