

Company Registration No. 07950891 (England and Wales)

EDUCATION PARTNERSHIP TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

EDUCATION PARTNERSHIP TRUST

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EDUCATION PARTNERSHIP TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Ms A Hepplestone
Mr D Callaghan
Mr H Patel

Directors

Mr D Callaghan
Ms S Roscoe
Mrs A Allen
Mr L Green
Mr H Catherall
Mr I Brown
Ms J Hughes
Mr I M Kendrick (Appointed 3 September 2018)
Mr M C Cartledge (Appointed 29 September 2017)

Senior management team

- Chief Executive Officer Ms S Roscoe
- Headteacher (The Heights Free School) Mr G Holding (Appointed 1st March 2018)
- Headteacher (Eden School) Mr J McDonald (Appointed 6th November 2017)
- Headteacher (Pleckgate High School) Mr M Cocker
- Headteacher (Coal Clough Academy) Mrs H Clarke

Company name Education Partnership Trust

Company registration number 07950891 (England and Wales)

Registered office Education Partnership Trust
Pleckgate Road
Blackburn
BB1 8QA

Academies operated	Location	Headteacher
The Heights Free School	Blackburn	Mr G Golding
Eden School	Blackburn	MR J McDonald
Pleckgate High School	Blackburn	Mr M Cocker
Coal Clough Academy	Burnley	Mrs H Clarke

Independent auditor MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

Solicitors Forbes Solicitors
Ribchester House
Lancaster Road
Preston
PR1 2QL

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Directors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates two Free Schools for pupils aged 8-16 serving a catchment area in Blackburn with Darwen and two sponsored academies, Coal Clough Academy (Pupil Referral Unit) in Burnley and Pleckgate High School in Blackburn. In addition to this the Trust is in the Project Development phase for the opening of another Free School in Burnley.

Structure, governance and management

Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust.

The multi-academy Trust ("the Trust") is known as the Education Partnership Trust and the two free schools are known as, The Heights Free School and Eden School.

The Directors are the Trustees of Education Partnership Trust and are also the Directors of the charitable company for the purposes of company law. Details of the directors who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Directors' indemnities

The Trust has purchased indemnity insurance to protect Directors and Officers from claims arising in connection with trust business. The insurance provides cover of up to £2 million on any one claim.

Method of recruitment and appointment or election of directors

The Trust has a total of eight Directors as shown on Page 1 including the Chief Executive. New Directors are appointed by the Members and new Chairs of local governing bodies are appointed by the Board of Directors. When new Directors or Governors are appointed, the Members and Board of Directors approves at that time an appropriate process and criteria for recruitment based on an analysis of the current skill and capability requirements of the Board or Governing Body.

Policies and procedures adopted for the induction and training of directors

All Directors and Governors are provided with copies of the DfE Governors' Handbook on appointment. When new Directors or Governors are appointed, an analysis of the requirements of their role and their current skills determines their induction process. The induction process is outlined in the Governance Handbook. Effective governance is critical to the success of the Trust and its schools. This is outlined in the Trust Governance & Accountability Handbook and Governance Scheme of Delegation.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The Board of Directors of the Trust shall hold four meetings in every school year, including the annual general meeting (AGM).

The Board of Directors (BoD) must ensure compliance with company and charity law and with the Trust's funding agreement with the Secretary of State. The Directors are responsible for the general control and management of the administration of the Trust in accordance with the provisions set out in the memorandum and articles of association. The Board is accountable for the performance of all academies within the Trust and as such must:

1. Ensure clarity of vision, ethos and strategic direction.
2. Hold the executive to account for the educational performance of the schools and their pupils, and the performance management of staff.
3. Oversee the financial performance of the Trust and make sure its money is well spent.

The BoD will establish, for each academy, a Local Governing Body (LGB), whose governance role is to oversee the running of the academy on behalf of the Trust. The Trust will determine the level of delegation and membership of the LGB. However, this document is intended to stress the critical role that LGBs' have and their decision-making powers.

The role of the LGB is:

1. To ensure clarity of vision, ethos and strategic direction of the academy in line with the strategic direction of the EPT.
2. To monitor whether standards are being met, the academy is working within the agreed policies, and if the money is being well spent.
3. To scrutinise, challenge and support the progress against the academy's strategic objectives, improvement plan and self-evaluation framework.
4. Ensure value for money and the legal compliance of the academy.
5. Act as the panel when reviewing the academy principal's decisions on exclusions, and parents' complaints.
6. Forge links with the community.
7. Act as an ambassador for the school.
8. To ensure the academy fulfils its statutory duties in relation to Health & Safety, Special Educational Needs and Safeguarding.

The Local Governing Body is able to delegate identified functions to a committee; where decisions have been delegated these must be reported back to the next Local Governing Body meeting. It is essential that the Local Governing Body delegate sufficient powers to the Headteacher so that they can manage the school effectively.

The Board/Local Governing Body is to delegate general responsibility to incur financial commitments and expenditure in accordance with the approved budget plan and financial regulations.

During the year the organisational structure of the Trust consisted of 3 levels: the Trust, the Local Governing Body and the committees which include the Audit & Finance Committee. It is further supported by the Senior Management Team. The central services team has increased to reflect the growth of the Trust.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

The Trust follows the HR Scheme of Delegation and the Pay and Appraisal Policy for the setting of pay and remuneration of key management personnel.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	5
Full-time equivalent employee number	4.88

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	4
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	3,038
Total pay bill	8,810,934
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	50%
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Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. Related party transactions that took place in the period of account are detailed in the notes to the accounts.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and activities

Objects and aims

The aim of the Trust ("the Object") is:

"to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies")

For the period covered by these financial statements the Trust operated four academies; The Heights Free School, Eden School, Coal Clough Academy and Pleckgate High School.

The Heights Free School

Since The Heights opened in 2013 and subsequently achieved an Ofsted rating of 'good' across all areas in September 2014, we have continued to build on our success. The Heights is a key stage 2 to key stage 4 alternate provision school. There are 141 pupils on roll, the vast majority are boys.

Eden School

Eden is a SEMH Free School which opened in September 2014 to provide special school provision for pupils with social, emotional and mental health needs age 7-16. Eden has 27 pupils on roll that have a wide range of needs and abilities. Pupils arrive at different starting points in terms of academic and social and emotional development at Eden school. They also arrive at different times in the academic year and at different ages. Our approach is based on individual pupils' progress from their starting point and their development journey through school.

Coal Clough Academy

Coal Clough Pupil Referral Unit converted to academy status in September 2015 sponsored by the Trust. Coal Clough Academy is a 165 place Alternative Provision School that provides education for young people in Burnley and the surrounding areas. There are 160 pupils on roll of which 140 are commissioned places from the Local Authority. Approximately one third of pupils are disadvantaged. The vast majority of pupils have been permanently excluded from their commissioning schools. Approximately one quarter of the school population are identified as at risk of exclusion or their medical needs prevent them from accessing mainstream education. The remaining pupils are educated on a short-term placement which typically lasts for one term.

Pleckgate High School

Pleckgate High School converted to academy status in February 2016 sponsored by the Trust. The school is a large, multi-cultural secondary school situated on the northern outskirts of Blackburn with Darwen, comprising 1,065 students and 160 staff with state of the art facilities that benefit both the school and local community.

In addition to the operation of these schools, the Trust started the Pre-Development phase for the opening of a new Free School; The Heights Free School, Burnley. This is a key stage 2 to key stage 4 alternate provision school with the capacity for 150 pupils.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

The vision of the Trust is to create outstanding schools which transform learning, lives and communities and the Board is determined to see a high performing Multi-Academy Trust that delivers the very best educational experience for our pupils with an ethos of collaboration and excellence. Our strategic aims will help us to achieve our vision and are underpinned by our core principles.

- Every school to be outstanding.
- To deliver educational excellence for all our pupils.
- To improve outcomes by working in partnership with the community.

The main aims of the Trust for the year were:

- For all schools to be judged good or better by Ofsted
- To develop collaborative working across the trust which includes the establishment of a Teaching & Learning and SENCO network
- To progress to the pre-opening stage for The Heights Burnley and for work to commence on site

Public benefit

The Directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The Trust has met demand for alternative provision in Blackburn with Darwen with places being commissioned by local schools. The EPT has responded to a demand in Burnley for alternative provision by submitting a successful application to open The Heights Burnley.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

The following were achieved by August 2018:

- Coal Clough Academy was inspected in June 2018 and was judged as good in all areas – overall effectiveness, effectiveness of leadership and management, quality of teaching, learning and assessment, personal development and outcomes.
- Trust cluster groups were established for Safeguarding Leads, Teaching and Learning, SEND and Behaviour
- The Heights Burnley is currently in the pre-opening stage and contractors have now started on site. The recruitment process has begun.

The Heights Free School

Nurture

Pupils in the KS2 & 3 Nurture Provision made rapid progress against Boxall Criteria for nurture provision. Progress in reading, spelling and mathematics was outstanding.

KS4

Within Year 11 81% of pupils in English and 71.4% of pupils in Maths made good or better than expected progress. Pupils' progress has improved significantly in English and Maths since 2014. This year has seen a record number of GCSE passes 9-4. There have also been GCSE passes in Science and Art for the first time.

Achievement in Functional Skills English, Maths and ICT continues to be very strong.

This year has seen the best Vocational results The Heights has achieved, with an increased number of Level 2 passes. In addition, this year students have achieved Level 2 Merit and Distinction grades for the first time at The Heights.

YTD Attendance (70.2%) is above the national average for alternative provision.

100% (15) KS2 pupils had a successful reintegration back into a mainstream school setting.

90% (13) KS3 pupils made a successful transition back into mainstream school.

13.5% (17) KS4 pupils transitioned back to their mainstream school.

95% (40) Year 11 pupils had a positive destination at the end of Summer 2018.

Pastoral care is very strong. The school works with a host of external agencies to ensure that pupils have access to extra support to meet their specific needs.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Eden School

Eden currently has 27 pupils on roll with the number of referrals increasing. A new curriculum plan was implemented from September with additional subjects to ensure a broad and balanced curriculum. New subjects include Citizenship, Creative Arts and Food Technology and these are now taught to all pupils. The length of the school day was also extended.

A new referral and induction process for pupils was developed and embedded in school. New pupils receive a full induction package which includes robust baseline assessments in order for Eden to identify pupil need, create flight paths for the pupil and put support in place to meet their needs very quickly. The assistant headteacher leads on this, meeting with parents of new pupils, liaising with their former school and making sure that the school has the appropriate support in place for when the pupil starts.

The behaviour tracking system is used to monitor behavior throughout the year by individual pupil and is linked to behaviour tiers. Every incident is recorded to enable the pastoral team to monitor patterns of behaviour and put measures in place including targeted interventions so it is not repeated. The Epraise Rewards system rewards pupils by Epraise points which they can then use to purchase items from the school shop. Some pupils chose to donate their points to a charity or decided to use them to take a friend to the cinema.

100% of Year 11 leavers progressed into education, employment and training (EET) with all pupils securing a place in further education studying mechanics or horticulture at Blackburn College and Myerscough College. Eden was heavily involved in the transition of all these pupils, transporting them to open days, taster days and supporting them whilst they attended these. All pupils gained accredited passes in Functional Skills in Maths and English and two of the pupils gained GCSE grades in Maths and English. They also gained qualifications in Food Hygiene and Prince's Trust.

Pupil progress:

Key Stage 2 (8 pupils)

Subject	More than expected		Expected progress		Less than expected progress	
	No.	%	No.	%	No.	%
Maths	0	-	4	50%	4	50%
Reading	0	-	4	50%	4	50%
Writing	0	-	2	25%	6	75%

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key Stage 3 (6 pupils)

Subject	More than expected		Expected progress		Less than expected progress	
	No.	%	No.	%	No.	%
Maths	2	33.3%	2	33.3%	2	33.3%
Reading	2	33.3%	3	50%	1	16.7%
Writing	1	16.7%	3	50%	2	33.3%

Key Stage 4 (4-10 pupils)

Subject	More than expected		Expected progress		Less than expected progress	
	No.	%	No.	%	No.	%
Maths	3	30%	4	40%	3	30%
Reading	4	40%	1	10%	5	50%
Writing	3	30%	3	30%	4	40%

Coal Clough Academy

Coal Clough Pupil Referral Unit converted to academy status in September 2015 sponsored by the Trust. It was inspected in June 2018 and was judged as good in all areas – overall effectiveness, effectiveness of leadership and management, quality of teaching, learning and assessment, personal development and outcomes.

Summary of key findings:

This is a good school. Leaders and managers have created a culture that is built upon the belief that all pupils can succeed no matter what their previous track record. As a result, pupils who have complex social, emotional and mental health needs succeed. Leaders' actions have brought about significant improvements in the progress made by all groups of pupils in a wide range of subjects, including English and Mathematics. Leaders have successfully tackled the weaknesses in the predecessor school and there has been a remarkable improvement in standards.

Governors make a very valuable contribution to the success of the school. They ensure that resources are targeted at areas that will have the most impact on improving outcomes for pupils. Leaders' development planning is not based on a wide enough range of evidence. Plans for improvement and targets are not always sharp enough. Pupils who attend Coal Clough have all struggled in mainstream schools. Now, due to good teaching and pastoral support, they make good progress academically and in their personal development. Teachers know pupils extremely well as class sizes are small. They encourage pupils to develop positive attitudes and rebuild their confidence so that they can apply themselves and make strong progress. Behaviour is good. The majority of pupils conduct themselves well around the school and show respect for each other and the staff. Pupils' attendance usually improves dramatically when they are admitted to the school. However, there is still a minority who do not attend as often as they should and this is a barrier to their progress. The curriculum is specially adapted to meet the needs of pupils. They benefit from a wide range of subjects, including vocational options. Plans are in place to extend the available resources for learning next year to offer an even wider range of courses.

Most pupils have not developed the skills in spelling, reading and handwriting that are typical for their age. They make good progress but homework is not always used well to consolidate this learning and allow pupils to practice their skills. Pupils say that they feel safe and well looked after. Parents and carers are very positive about the work of the school and say that lines of communication are very good.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Pleckgate High School

The 2018 year 11 cohort were significantly below average levels of (KS2) attainment on entry to Pleckgate and have achieved broadly in line with national attainment measures on exit. In the key threshold measure, the proportion of pupils achieving a grade 4 and above in English and Mathematics combined was 60%, compared to the national average of 63% in 2017. The percentage of pupils achieving a grade 5+ in English and Maths was in line with the 2017 national average of 39%.

The overall progress 8 score of +0.1 has remained positive for the third year running, representing good progress overall from pupils' significantly below average starting points. Progress in Mathematics continues to be well above average at +0.6 and progress for Humanities subjects is above average, particularly in History where students performed nearly half a grade above their counterparts nationally. Substantial improvements have been made for low prior attaining students, a key school improvement priority from last year. This is due to improvements in teaching secured by a robust and supportive approach to performance management. There has been a significant increase in the proportion of students entered for (30%), and achieving the Ebacc suite of qualifications; 19.5% achieving 4+ and 11.5% achieving 5+

The proportion of disadvantaged pupils at Pleckgate is well above the national average, and in the second highest quintile nationally. Disadvantaged pupils made progress broadly in line with national expectations and well above national expectations in Mathematics with a Progress 8 score of +0.3. Pupil premium funding has been spent on a range of interventions, training and staffing to good effect, with a full report published on the school website. Regular review of strategies and careful monitoring of disadvantaged students has had a good impact on outcomes for disadvantaged students, resulting in a much smaller gap than seen nationally compared to non-disadvantaged students. Pupils with special educational needs and/or disabilities make better progress than published data would suggest. Last year there was a small cohort of 17 pupils with 6 students following a bespoke alternative curriculum. These pupils made good progress during their time in school but they were not entered for GCSE examinations. Of the 10 SEN students who sat GCSE examinations, their progress was very strong with an overall Progress 8 score of +0.85.

The school has high expectations of their staff and students. Their focus is to ensure the curriculum offered to students builds engaged, confident learners that leads to further improving headline achievement measures, consistently performing above average across all key achievement indicators.

Admissions to Pleckgate have risen for the third year, with just under 250 students admitted into the current year 7, demonstrating an increased community confidence in the quality of education at the school.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Directors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

The Trust's total income during the year was £13,111,819 (2017: £11,999,175). Project development and related set up costs funding for new schools received from the ESFA during the year were £75,000 (2017: £30,000).

Total outgoing resources for the year were £13,212,909 (2017: £12,937,981). The excess of expenditure over income was £101,090 (2017: £938,806)

At the year end the Trust's total reserves were £20,117,703 (2017: £19,340,793) of which, £687,854 (2017: £876,461) was unrestricted, £600,583 (2017: £539,321) was general restricted funds, £3,374,000 (2017: £3,822,000) the deficit on the restricted pension fund and £22,203,266 (2017: £21,747,011) was restricted fixed asset funds.

The Trust does not have an obligation to settle the pension liability immediately and there are no indications that it will crystallise in the foreseeable future. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of the Trust closing, outstanding local government pension scheme liabilities would be met by the Department for Education.

Reserves policy

The amount of reserves held are stated in the Financial Review noted above. The level of reserves held at each school at 31 August 2018 is considered to be sufficient and in line with driving towards the Trust's 12% accumulated Reserves Policy.

The Trust needs to hold reserves for a number of reasons, examples of which are listed below:

- A contingency fund to deal with minor adjustments to operational expenditure from some budget headings;
- A planned accumulation of funds to pay for some major construction work or project;
- Expenditure held over to the following year to withstand variations in the level of funding to the Trust to balance out variations in funding levels; and
- Potential redundancy payments to staff.
- Anticipated increases in cost of living and pension contributions.

The Board of Directors ensures that the Reserves Policy is in accordance with the requirements laid down in the Academies Financial Handbook by the ESFA. The Department for Education expects Trusts to use their allocated funding for the full benefit of current pupils.

It is the policy of the Trust to have reserves which can be used for future education purposes in line with the development plans. The Trust will review reserve levels for each school on an annual basis and the Trust Reserves Policy is reviewed by the Audit & Finance Committee on a bi-annual cycle.

During the year the Trust has not achieved the 2% in year reserves target due to a number of factors similar to those listed above. There are some long term school development plans in place to utilise some of the reserves to develop and improve the schools.

Investment policy

The Trust will operate an interest bearing current bank account and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected expenses. To enhance interest earned on accumulated reserves, the Trust is taking steps to implement a Treasury Management Policy which will include the deposit of surplus funds into a 32-day notice deposit account with its current bankers. The Trust Financial Controller will manage the placement of funds into this account in conjunction with schools.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

For the period covering these financial statements, the Local Governing Body (LGB) alongside the Headteachers were responsible for identifying risks faced by the Trust and its schools. With the support of the Headteachers and the Trust Financial Controller, Governors are required to establish and implement procedures to mitigate and monitor these risks. The Trust has assessed the major risks to which it is exposed, in particular those relating to the specific teaching, provision of facilities and operations, and its finances, and are satisfied that the systems and procedures are in place to mitigate our exposure to the major risks. Risk management has been further strengthened by the Risk Assessment Policy and Risk Register. There is also uncertainty regarding the extent to which teachers' pay increases and increases to the TPS contribution rates will be funded, and for how long.

The internal financial systems are based on the Academies Financial Handbook and are documented in The Financial Handbook. The systems are based on a framework of segregation of duties, schemes of delegation which include authorisation and approval. The Trust reviewed the Financial Regulations as part of the wider Governance & Accountability Handbook. Financial management information is relevant, timely and accurate and seeks to minimise risks by consistently applying current circumstances to future years attempting to forecast ahead.

Fundraising

The Trust has no outlined approach to fundraising and there have been no fundraising activities during the year.

Plans for future periods

- To develop leadership capacity across the Trust including the appointment of a Principal Designate for The Heights Burnley
- To develop collaborative working across the Trust which includes:
- The establishment of a Teaching & Learning and SENCO network
- A training needs analysis to identify key themes across the Trust which can be addressed by a centrally delivered training programme
- To develop a robust quality assurance framework for school improvement to raise standards so all schools are judged as at least good by Ofsted
- To identify opportunities for growth by working with the RSC and schools seeking to convert to academy status.

Funds held as custodian trustee on behalf of others

The Trust does not hold any funds as custodian Trustee.

Employee consultation and disabled employees

Employee involvement

EPT encourage staff contributions at all levels and close collaboration between academies. Where appropriate, the Trust consults on matters such as policy, pay, health & safety. This is demonstrated by the employee engagement survey which was introduced last year and will be completed on a regular basis. At each of the academies, information is channeled via the senior leadership team meetings and staff briefings. Network groups have been established to further encourage collaborative working and sharing of good practice. The staff induction programme now includes a session at the central office so all staff are aware of the vision and values of the trust and the role and responsibilities of the central team.

Disabled persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. The Trust also supports the retention of employees who become disabled during their employment, through training and career development.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

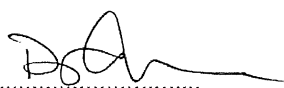
Auditor

In so far as the directors are aware:

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

A resolution proposing that MHA Moore and Smalley be reappointed as auditor of the charitable company will be put to the members.

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company Directors, on 19/12/2018, and signed on its behalf by:



.....
Mr D Callaghan

EDUCATION PARTNERSHIP TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Education Partnership Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Education Partnership Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
Mr D Callaghan	4	4
Ms S Roscoe	4	4
Mrs A Allen	2	4
Mr L Green	2	4
Mr H Catherall	2	4
Mr I Brown	4	4
Ms J Hughes	2	4
Mr I M Kendrick (Appointed 3 September 2018)	0	0
Mr M C Cartledge (Appointed 29 September 2017)	2	4

The Board undertakes an annual review of progress against the strategic priorities and its own effectiveness comprising an assessment of its performance against aims and objectives. The Board receives timely data in advance of its meetings to enable it to scrutinise and assess the performance of the Trust and its academies. These reports have been adapted to reflect the requirements of the Directors in terms of reporting on standards and the financial position. In addition, a standards and effectiveness committee has been established for each Local Governing Body to enable further scrutiny and challenge of performance.

Review of value for money

As Accounting Officer the Chief Executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

EDUCATION PARTNERSHIP TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money (continued)

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the trust has delivered improved value for money during the year by:

- Improving educational standards

Delivering high quality Continuing Professional Development (CPD) to individual and groups of schools focusing on common areas of improvement and interest aimed at improving the quality of leadership and teaching in the school group.

- Robust governance and oversight of finances

The Trust has established robust guidance within the Trust's Financial Handbook and Scheme of Delegation. This ensures segregation of duties, uniformity and consistency across all schools within the Trust. The Trust benefits from the provision of a qualified Financial Controller. He holds regular meetings with all School Business Managers within the Trust.

The Trust has commissioned 4 internal audit visits (1 per school) which were carried out for the 2017-18 academic year. The internal audit reports highlighted the good practices in place at the schools as well as a number of low risk recommendations which have/are being actioned at both the school and Trust level. The internal audit reports will be presented to the Audit & Finance Committee. An in-house internal audit plan is in place to perform half-termly visits to each school throughout the year to ensure processes and records are in place as per the Trust's Financial Handbook and Scheme of Delegation.

The Resource Committees and Local Governing Bodies of each school receives detailed financial information for their termly meetings where they approve the budget plan annually. They are mindful of the Trust's Reserves Policy and the need to balance expenditure against income to ensure the sustainability of their respective schools and to ensure the Trust remains a 'going concern'.

The members of the Trust meet with the external auditors annually to review and scrutinise the annual accounts and our external auditors' management report and to approve the annual accounts.

The Financial Controller reports back the financial position at a school and Trust level to the Accounting Officer, on a regular basis. In addition, a Financial reports are prepared for the Directors and Audit & Finance Committee members.

- Better purchasing

The Trust continually focuses on value for money and making cost savings where possible. During the year, it has achieved savings in a number of areas by obtaining single supplier contracts through competitive tender, utilising the economies of scale. Examples of this are payroll services, internal audit, health and safety and insurance and utilities. The Trust Financial Controller is tasked to identify areas where there may be opportunities for cost savings and does so on an ongoing basis. These cost benefits have been passed on to the schools.

The budget holders review and sign off every purchase order request and regularly challenge these for efficiency and effectiveness. In turn the Governing Body regularly reviews the functions of the school, challenging how and why services are provided as appropriate. Benchmarking exercises are carried out for cost comparisons and to ensure value for money.

The EPT continues to utilise its own resources across the Trust rather than commissioning external support at additional cost. The Trust's Business and Finance Officer provides support and assistance across all schools in the Trust in a financial and operational capacity. This includes training and support as required.

Carrying out a review of staff absence that has resulted in procuring absence insurance for part of the Trust which is hoped shall reduce staff supply costs.

EDUCATION PARTNERSHIP TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money (continued)

- Income generation

The Trust is mindful of the need to generate additional funds to maximise income generation.

The Trust maximises interest returns on its accumulated reserves in a prudent fashion.

The Trust generated additional income from the letting of school premises and the training facilities at central office. Due to existing arrangements income generation from lettings at some schools has been challenging, however it is envisaged that this is an area that will develop further over time and efforts are being made to maximise this revenue stream.

Securing CIF funding to make good or improve school buildings has been successful and the Trust will continue to submit bids to secure further funding in 2018-19.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Education Partnership Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Directors.

The risk and control framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the audit and finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided to appoint Cofie Limited as their internal auditors.

The role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems and authorisation
- testing of income completeness and classification
- a review of sales and purchases systems
- testing of control account and bank reconciliations.

EDUCATION PARTNERSHIP TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

On a termly basis, reports are made to the Board of Directors (through the audit and finance committee) on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Directors.

Review of effectiveness

As Accounting Officer the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

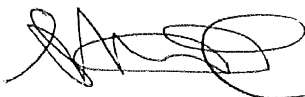
- the work of the external auditor;
- the work of the internal auditor;
- the financial management and governance self-assessment procedures;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the audit and finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on 19/12/2018 and signed on its behalf by:



Mr D Callaghan



Ms S Roscoe

EDUCATION PARTNERSHIP TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As Accounting Officer of the Education Partnership Trust I have considered my responsibility to notify the main Trust Board and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Trust Directors are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreements and the Academies Financial Handbook

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Directors and ESFA.



Ms S Roscoe
Accounting Officer

19/12/2018

EDUCATION PARTNERSHIP TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The Directors (who also act as Trustees for Education Partnership Trust) are responsible for preparing the directors' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare accounts for each financial year. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 accounts 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.

The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 19/12/2018 and signed on its behalf by:



Mr D Callaghan

EDUCATION PARTNERSHIP TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDUCATION PARTNERSHIP TRUST FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Education Partnership Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Directors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

EDUCATION PARTNERSHIP TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDUCATION PARTNERSHIP TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which 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 accounts 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

EDUCATION PARTNERSHIP TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDUCATION PARTNERSHIP TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Johnson (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

17 December 2018

EDUCATION PARTNERSHIP TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EDUCATION PARTNERSHIP TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 7 February 2013 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Education Partnership Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Education Partnership Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Education Partnership Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Education Partnership Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Education Partnership Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Education Partnership Trust's funding agreement with the Secretary of State for Education dated 27 September 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the trust's income and expenditure.

We have undertaken testing as appropriate in line with the guidance included in Technical release 08/12AAF from the Institute of Chartered Accountants in England and Wales.

The work undertaken to draw our conclusion includes an evaluation of the control environment of the Trust together with enquiry, analytical review and substantive testing of transactions.

EDUCATION PARTNERSHIP TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EDUCATION PARTNERSHIP TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Moore & Smalley

Reporting Accountant
MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

19 December 2018

EDUCATION PARTNERSHIP TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	-	685	841,556	842,241	70,829
Charitable activities:						
- Funding for educational operations	4	1,182,176	11,083,609	-	12,265,785	11,915,657
Other trading activities	5	2,703	-	-	2,703	11,006
Investments	6	1,090	-	-	1,090	1,683
Total income and endowments		1,185,969	11,084,294	841,556	13,111,819	11,999,175
Expenditure on:						
Charitable activities:						
- Educational operations	9	1,184,879	11,426,952	601,078	13,212,909	12,937,981
Total expenditure	7	1,184,879	11,426,952	601,078	13,212,909	12,937,981
Net income/(expenditure)		1,090	(342,658)	240,478	(101,090)	(938,806)
Transfers between funds		(189,697)	(26,080)	215,777	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	19	-	878,000	-	878,000	33,000
Net movement in funds		(188,607)	509,262	456,255	776,910	(905,806)
Reconciliation of funds						
Total funds brought forward		876,461	(3,282,679)	21,747,011	19,340,793	20,246,599
Total funds carried forward	17	687,854	(2,773,417)	22,203,266	20,117,703	19,340,793

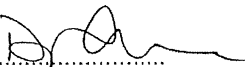
EDUCATION PARTNERSHIP TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	13		21,673,655		21,686,651
Current assets					
Debtors	14	892,071		640,543	
Cash at bank and in hand		1,850,848		2,170,246	
		<u>2,742,919</u>		<u>2,810,789</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(924,871)		(1,334,647)	
Net current assets			<u>1,818,048</u>		<u>1,476,142</u>
Net assets excluding pension liability			<u>23,491,703</u>		<u>23,162,793</u>
Defined benefit pension scheme liability	19		(3,374,000)		(3,822,000)
Net assets			<u><u>20,117,703</u></u>		<u><u>19,340,793</u></u>
Funds of the trust:					
Restricted funds	17				
- Fixed asset funds			22,203,266		21,747,011
- Restricted income funds			600,583		539,321
- Pension reserve			(3,374,000)		(3,822,000)
Total restricted funds			<u>19,429,849</u>		<u>18,464,332</u>
Unrestricted income funds	17		<u>687,854</u>		<u>876,461</u>
Total funds			<u><u>20,117,703</u></u>		<u><u>19,340,793</u></u>

The accounts on pages 25 to 50 were approved by the Directors and authorised for issue on 19/12/2018 and are signed on their behalf by:



 Mr D Callaghan

Company Number 07950891

EDUCATION PARTNERSHIP TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(573,962)		(681,214)
Cash flows from investing activities					
Dividends, interest and rents from investments		1,090		1,683	
Capital grants from DfE Group		841,556		(19,755)	
Purchase of tangible fixed assets		(588,082)		(216,970)	
Net cash provided by/(used in) investing activities			254,564		(235,042)
Net decrease in cash and cash equivalents in the reporting period			(319,398)		(916,256)
Cash and cash equivalents at beginning of the year			2,170,246		3,086,502
Cash and cash equivalents at end of the year			1,850,848		2,170,246

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Education Partnership Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming* resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the trust apportioned to charitable activities.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	0% and 2%
Computer equipment	25%
Fixtures, fittings & equipment	20%
Motor vehicles	20%

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase. These are disclosed above under the policy for tangible fixed assets and depreciation..

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, impairment is recorded as an impairment loss.

Critical areas of judgement

Classification and valuation of long leasehold land and buildings

All of the Trust's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the school's business and are held within the school.

At the date of entry into the Trust, the long leasehold land and buildings in each school is measured at its fair value, which upon transition, has been interpreted as deemed cost. Subsequent purchases of land and buildings are initially measured at cost.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	841,556	841,556	(19,755)
Other donations	-	685	685	90,584
	-	842,241	842,241	70,829

The income from donations and capital grants was £842,241 (2017: £70,829) of which £685 was restricted (2017: £90,584) and £841,556 was restricted fixed assets (2017: £(19,755)).

4 Funding for the trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	9,125,190	9,125,190	9,263,653
Other DfE / ESFA grants	-	635,538	635,538	563,526
	-	9,760,728	9,760,728	9,827,179
Other government grants				
Local authority grants	-	1,322,881	1,322,881	1,004,479
Other funds				
Other incoming resources	1,182,176	-	1,182,176	1,083,999
Total funding	1,182,176	11,083,609	12,265,785	11,915,657

The income from funding for educational operations was £12,265,785 (2017: £11,915,657) of which £1,182,176 was unrestricted (2017: £1,081,517) and £11,083,609 was restricted (2017: £10,834,140).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	2,703	-	2,703	11,006

The income from other trading activities was £2,703 (2017: £11,006) of which £2,703 was unrestricted (2017: £11,006).

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	1,090	-	1,090	1,683

The income from funding for investment income was £1,090 (2017: £1,683) of which £1,090 was unrestricted (2017: £1,683).

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Academy's educational operations					
- Direct costs	7,511,368	108,201	821,441	8,441,010	8,014,250
- Allocated support costs	2,226,590	1,882,239	663,070	4,771,899	4,923,731
	9,737,958	1,990,440	1,484,511	13,212,909	12,937,981

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	11,700	11,350
- Other services	5,100	4,810
Operating lease rentals	73,342	38,401
Depreciation of tangible fixed assets	601,078	609,125
Net interest on defined benefit pension liability	87,000	69,000

8 Central services

The trust has provided the following central services to its schools during the year:

- human resources
- financial services
- legal services
- educational support services
- management support; and
- others as arising.

The trust charges for these services on the basis of time spent.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Central services (Continued)

The amounts charged during the year were as follows:	2018 £	2017 £
The Heights Free School	83,842	85,655
Eden School	29,510	27,987
Pleckgate High School	318,331	321,270
Coal Clough Academy	100,932	113,302
	<u>532,615</u>	<u>548,214</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	965,977	7,475,033	8,441,010	8,014,250
Support costs				
Educational operations	218,902	4,552,997	4,771,899	4,923,731
	<u>1,184,879</u>	<u>12,028,030</u>	<u>13,212,909</u>	<u>12,937,981</u>

The expenditure on educational operations was £13,212,909 (2017: £12,937,981) of which £1,184,879 was unrestricted (2017: £1,092,522), £11,426,952 was restricted (2017: £11,236,334) and £601,078 was restricted fixed assets (2017: £609,125).

	2018 £	2017 £
Analysis of support costs		
Support staff costs	2,226,590	2,100,660
Depreciation	492,877	486,463
Premises costs	1,356,143	1,706,055
Other support costs	611,593	530,007
Governance costs	84,696	100,546
	<u>4,771,899</u>	<u>4,923,731</u>

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	7,002,134	6,687,330
Social security costs	657,114	605,457
Pension costs	1,532,319	1,430,134
Staff costs	9,191,567	8,722,921
Agency staff costs	438,840	327,298
Staff restructuring costs	107,551	174,672
Total staff expenditure	9,737,958	9,224,891

Staff restructuring costs comprise:

Severance payments	107,551	174,672
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £107,551 (2017: £174,762). Individually, the payments were: £40,000 and £5,278 made in October 2017, £3,000 and £7,000 made in November 2017, £7,000 and £12,000 made in December 2017, £10,292 in June 2018 and £22,981 made in July 2018.

Staff numbers

The average number of persons employed by the Trust during the year was as follows:

	2018 Number	2017 Number
Teachers	89	89
Administration and support	171	150
Management	16	19
	276	258

The number of persons employed, expressed as a full time equivalent, was as follows:

	2018 Number	2017 Number
Teachers	82	83
Administration and support	118	115
Management	16	19
	216	217

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 Number	2017 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	3	1
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the trust was £810,038 (2017: £602,268).

11 Directors' remuneration and expenses

One or more Directors have been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the academy trust in respect of their role as directors.

The value of Directors' remuneration and other benefits was as follows:

S Roscoe - Chief Executive Officer and Trustee:

Remuneration - £95,001 - £100,000 (2017: £90,001 - £95,000)

Employers' pension contribution - £10,001 - £15,000 (2017: £10,001 - £15,000)

During the year travel and subsistence expenses totalling £225 were reimbursed to one Director (2017: £312).

12 Directors and officers insurance

In accordance with normal commercial practice, the trust has purchased insurance to protect Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2m on any one claim and the cost for this insurance is not separately identifiable and is included in the total insurance costs.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2017	22,195,014	546,862	234,359	32,645	23,008,880
Additions	489,651	69,575	28,856	-	588,082
At 31 August 2018	22,684,665	616,437	263,215	32,645	23,596,962
Depreciation					
At 1 September 2017	909,800	263,626	122,643	26,160	1,322,229
Charge for the year	438,616	108,201	47,776	6,485	601,078
At 31 August 2018	1,348,416	371,827	170,419	32,645	1,923,307
Net book value					
At 31 August 2018	21,336,249	244,610	92,796	-	21,673,655
At 31 August 2017	21,285,214	283,236	111,716	6,485	21,686,651

The net book value of land and buildings comprises:

	2018 £	2017 £
Long leaseholds (over 50 years)	21,336,249	21,285,214

14 Debtors

	2018 £	2017 £
Trade debtors	244,019	253,839
VAT recoverable	151,892	111,894
Other debtors	-	524
Prepayments and accrued income	496,160	274,286
	892,071	640,543

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

15	Creditors: amounts falling due within one year	2018	2017
		£	£
	Trade creditors	476,958	289,206
	Other taxation and social security	167,113	161,378
	ESFA creditors	101,490	134,655
	Other creditors	63,269	439,520
	Accruals and deferred income	116,041	309,888
		<u>924,871</u>	<u>1,334,647</u>
16	Deferred income	2018	2017
		£	£
	Deferred income is included within:		
	Creditors due within one year	-	43,047
		<u>-</u>	<u>43,047</u>
	Deferred income at 1 September 2017	43,047	-
	Released from previous years	(43,047)	-
	Resources deferred in the year	-	43,047
		<u>-</u>	<u>43,047</u>
	Deferred income at 31 August 2018	-	43,047
		<u>-</u>	<u>43,047</u>

Deferred income relates to ESFA rates grant received in advance of the relevant period it relates to.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	420,321	9,125,190	(8,990,366)	(26,080)	529,065
Other DfE / ESFA grants	30,000	635,538	(623,143)	-	42,395
Other government grants	-	1,322,881	(1,322,881)	-	-
Other restricted funds	89,000	685	(60,562)	-	29,123
Pension reserve	(3,822,000)	-	(430,000)	878,000	(3,374,000)
	<u>(3,282,679)</u>	<u>11,084,294</u>	<u>(11,426,952)</u>	<u>851,920</u>	<u>(2,773,417)</u>
Restricted fixed asset funds					
Transfer on conversion	16,282,652	-	(367,505)	-	15,915,147
DfE group capital grants	5,237,469	841,556	(163,101)	(83,580)	5,832,344
Capital expenditure from GAG	226,890	-	(70,472)	299,357	455,775
	<u>21,747,011</u>	<u>841,556</u>	<u>(601,078)</u>	<u>215,777</u>	<u>22,203,266</u>
Total restricted funds	<u>18,464,332</u>	<u>11,925,850</u>	<u>(12,028,030)</u>	<u>1,067,697</u>	<u>19,429,849</u>
Unrestricted funds					
General funds	<u>876,461</u>	<u>1,185,969</u>	<u>(1,184,879)</u>	<u>(189,697)</u>	<u>687,854</u>
Total funds	<u>19,340,793</u>	<u>13,111,819</u>	<u>(13,212,909)</u>	<u>878,000</u>	<u>20,117,703</u>

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant must be used for the normal running expenses of the Schools and under the funding agreement with the Secretary of State, the trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other restricted general funds comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of the grant.

Restricted fixed assets fund includes assets transferred in from Local Authority and expenditure out of GAG and other capital grants. It also comprise any unspent capital grants and depreciation is charged against this fund.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	339,483	9,263,653	(9,303,263)	120,448	420,321
Other DfE / ESFA grants	426,023	563,526	(533,526)	(426,023)	30,000
Other government grants	-	1,004,479	(1,004,479)	-	-
Other restricted funds	-	93,066	(4,066)	-	89,000
Pension reserve	(3,464,000)	-	(391,000)	33,000	(3,822,000)
	<u>(2,698,494)</u>	<u>10,924,724</u>	<u>(11,236,334)</u>	<u>(272,575)</u>	<u>(3,282,679)</u>
Restricted fixed asset funds					
Transfer on conversion	16,650,212	-	(367,560)	-	16,282,652
DfE group capital grants	5,342,155	(19,755)	(191,589)	106,658	5,237,469
Capital expenditure from GAG	157,644	-	(49,976)	119,222	226,890
	<u>22,150,011</u>	<u>(19,755)</u>	<u>(609,125)</u>	<u>225,880</u>	<u>21,747,011</u>
Total restricted funds	<u>19,451,517</u>	<u>10,904,969</u>	<u>(11,845,459)</u>	<u>(46,695)</u>	<u>18,464,332</u>
Unrestricted funds					
General funds	<u>795,082</u>	<u>1,094,206</u>	<u>(1,092,522)</u>	<u>79,695</u>	<u>876,461</u>
Total funds	<u>20,246,599</u>	<u>11,999,175</u>	<u>(12,937,981)</u>	<u>33,000</u>	<u>19,340,793</u>

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	339,483	18,388,843	(18,293,629)	94,368	529,065
Other DfE / ESFA grants	426,023	1,199,064	(1,156,669)	(426,023)	42,395
Other government grants	-	2,327,360	(2,327,360)	-	-
Other restricted funds	-	93,751	(64,628)	-	29,123
Pension reserve	(3,464,000)	-	(821,000)	911,000	(3,374,000)
	<u>(2,698,494)</u>	<u>22,009,018</u>	<u>(22,663,286)</u>	<u>579,345</u>	<u>(2,773,417)</u>
Restricted fixed asset funds					
Transfer on conversion	16,650,212	-	(735,065)	-	15,915,147
DfE group capital grants	5,342,155	821,801	(354,690)	23,078	5,832,344
Capital expenditure from GAG	157,644	-	(120,448)	418,579	455,775
	<u>22,150,011</u>	<u>821,801</u>	<u>(1,210,203)</u>	<u>441,657</u>	<u>22,203,266</u>
Total restricted funds	<u>19,451,517</u>	<u>22,830,819</u>	<u>(23,873,489)</u>	<u>1,021,002</u>	<u>19,429,849</u>
Unrestricted funds					
General funds	<u>795,082</u>	<u>2,280,175</u>	<u>(2,277,401)</u>	<u>(110,002)</u>	<u>687,854</u>
Total funds	<u>20,246,599</u>	<u>25,110,994</u>	<u>(26,150,890)</u>	<u>911,000</u>	<u>20,117,703</u>

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
The Heights Free School	166,902	309,734
Eden School	70,887	5,514
Pleckgate High School	492,408	595,611
Coal Clough Academy	483,757	398,973
Central services	71,713	105,950
Total before fixed assets fund and pension reserve	1,285,667	1,415,782
Restricted fixed asset fund	22,203,266	21,747,011
Pension reserve	(3,374,000)	(3,822,000)
Total funds	20,114,933	19,340,793

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
The Heights Free School	1,157,955	309,229	96,633	280,884	1,844,701
Eden School	478,984	94,248	50,898	104,393	728,523
Pleckgate High School	4,451,934	650,557	452,565	1,351,478	6,906,534
Coal Clough Academy	1,416,166	283,746	178,623	176,258	2,054,793
Central services	6,329	888,810	42,722	139,419	1,077,280
	7,511,368	2,226,590	821,441	2,052,432	12,611,831

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	21,673,655	21,673,655
Current assets	684,588	1,528,720	529,611	2,742,919
Creditors falling due within one year	3,266	(928,137)	-	(924,871)
Defined benefit pension liability	-	(3,374,000)	-	(3,374,000)
Total net assets	687,854	(2,773,417)	22,203,266	20,117,703

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	21,686,651	21,686,651
Current assets	1,259,120	1,491,309	60,360	2,810,789
Creditors falling due within one year	(382,659)	(951,988)	-	(1,334,647)
Defined benefit pension liability	-	(3,822,000)	-	(3,822,000)
Total net assets	876,461	(3,282,679)	21,747,011	19,340,793

19 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Lancashire County Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £53,045 (2017: £47,697) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £1,037,786 (2017: £1,012,463).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 10.7 to 17.6% for employers and 5.5 to 12.5% for employees.

In addition deficit contribution payments are also payable alongside the future service contributions. The annual deficit contribution amounts for the three year valuation period are 2017/18: £110,200, 2018/19: £114,200 and 2019/20: £118,600.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2018 £	2017 £
Employer's contributions	447,000	388,000
Employees' contributions	141,000	130,000
Total contributions	588,000	518,000

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations (Continued)

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.6	3.7
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	2.8	2.4
Inflation assumption (CPI)	2.1	2.2

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2018 Years	2017 Years
Retiring today		
- Males	22.7	22.6
- Females	25.4	25.2
Retiring in 20 years		
- Males	25.0	24.9
- Females	28.0	27.9

Scheme liabilities would have been affected by changes in assumptions as follows:

Sensitivity analysis:	Central £000	Sensitivity 1 + 0.1% p.a. discount rate £000	Sensitivity 2 + 0.1% p.a. inflation £000	Sensitivity 3 + 0.1% p.a. pay growth £000	Sensitivity 4 1 yr increase in life expectancy £000
Liabilities	7,129	6,971	7,291	7,167	7,255
Assets	(3,755)	(3,755)	(3,755)	(3,755)	(3,755)
Deficit	3,374	3,216	3,536	3,412	3,500
Projected service cost for next year	678	658	700	678	693
Projected net interest cost for next year	88	86	92	89	91

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations (Continued)

The trust's share of the assets in the scheme	2018 Fair value £	2017 Fair value £
Equities	1,648,000	1,318,000
Government bonds	128,000	57,000
Other bonds	23,000	69,000
Cash	34,000	138,000
Property	345,000	312,000
Other assets	1,577,000	1,107,000
Total market value of assets	3,755,000	3,001,000

The actual return on scheme assets was £198,000 (2017: £222,000).

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	779,000	700,000
Interest income	(79,000)	(54,000)
Interest cost	166,000	123,000
Administration expenses	11,000	10,000
Total operating charge	877,000	779,000

Changes in the present value of defined benefit obligations	2018 £	2017 £
At 1 September 2017	6,823,000	5,786,000
Current service cost	779,000	700,000
Interest cost	166,000	123,000
Employee contributions	141,000	130,000
Actuarial (gain)/loss	(759,000)	135,000
Benefits paid	(21,000)	(51,000)
At 31 August 2018	7,129,000	6,823,000

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations (Continued)

Changes in the fair value of the Trust's share of scheme assets

	2018 £	2017 £
At 1 September 2017	3,001,000	2,322,000
Interest income	79,000	54,000
Actuarial gain	119,000	168,000
Employer contributions	447,000	388,000
Employee contributions	141,000	130,000
Benefits paid	(21,000)	(51,000)
Administrative expenses	(11,000)	(10,000)
At 31 August 2018	<u>3,755,000</u>	<u>3,001,000</u>

20 Commitments under operating leases

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	1,047,994	1,062,296
Amounts due in two and five years	3,960,686	4,030,778
Amounts due after five years	12,818,096	13,845,369
	<u>17,826,776</u>	<u>18,938,443</u>

Included in the above is an annual PFI commitment for Pleckgate High School of £986,007 which will be indexed linked over the period of the commitment.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Reconciliation of net expenditure to net cash flow from operating activities	2018	2017
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(101,090)	(938,806)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(841,556)	19,755
Investment income receivable	(1,090)	(1,683)
Defined benefit pension costs less contributions payable	343,000	322,000
Defined benefit pension net finance cost	87,000	69,000
Depreciation of tangible fixed assets	601,078	609,125
(Increase) in debtors	(251,528)	(162,287)
(Decrease) in creditors	(409,776)	(598,318)
Net cash used in operating activities	(573,962)	(681,214)

22 Capital commitments	2018	2017
	£	£
Expenditure contracted for but not provided in the accounts	566,617	-

23 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

Director D J Callaghan is the Headteacher at St Bede's RC High School (St Bede's). During the year St Bede's were charged £44,947 (2017: £48,931) for alternative provision services provided by the Trust and £315 (2017: £nil) for room hire. At the year end nothing (2017: £nil) was due from St Bede's.

Director L Green is a Partner at Hill Dickinson LLP (HDLLP). During the year EPT paid HDLLP £nil (2017: £11,802) for legal services.

Director S Roscoe is a governor at St Barnabas & St Pauls CE School. During the year they paid £80 (2017: £150) to EPT for their services.

Director J Hughes is an assistant principal at Blackburn College. During the year EPT paid £300 (2017: £600) for their services.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.