

Company Registration No. 07950891 (England and Wales)

# EDUCATION PARTNERSHIP TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015



# EDUCATION PARTNERSHIP TRUST

## CONTENTS

---

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 13
Statement on regularity, propriety and compliance	14
Statement of trustees' responsibilities	15
Independent auditor's report on the accounts	16 - 17
Independent reporting accountant's report on regularity to the Academy Trust and the Education Funding Agency	18 - 19
Statement of financial activities (Incorporates the income & expenditure account and the statement of total recognised gains and losses)	20
Balance sheet	21
Cash flow statement	22
Notes to the accounts	23 - 40

---

# EDUCATION PARTNERSHIP TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Trustees

Mr D Callaghan  
Mr H Patel (Resigned 11 July 2015)  
Ms S Roscoe  
Mrs A Allen  
Mr A Burton (Resigned 1 November 2015)  
Mr L Green  
Mr A Arkwright (Resigned 1 September 2015)  
Mr H Catherall  
Mr I Brown  
Mrs T Stuart (Appointed 1 September 2015)  
Mr M Cheston (Appointed 1 September 2015)

### Members

Blackburn with Darwen Education Improvement Partnership Ltd  
Mr D Callaghan  
Ms S Roscoe (to 11 July 2015)  
Mr H Patel

### Senior management team

- Executive Headteacher
- Head of School (Heights)
- Head of School (Eden)
- Director of Business and Finance

Mrs B Logan  
Mr G Holding  
Mr R Brocklebank  
Mrs D Heap

### Company registration number

07950891 (England and Wales)

### Registered office

The Heights Free School  
Heys Lane  
Blackburn  
BB2 4NW

### Schools operated

The Heights Free School  
Eden School

### Location

Blackburn  
Blackburn

### Headteacher

Mr G Holding  
Mr R Brocklebank

### Independent auditor

Moore and Smalley LLP  
Richard House  
9 Winckley Square  
Preston  
PR1 3HP

### Bankers

Lloyds  
Church Street  
Blackburn  
BB2 1JQ

## EDUCATION PARTNERSHIP TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS

---

#### Solicitors

Hill Dickinson LLP  
No. 1 St. Paul's Square  
Liverpool  
L3 9SJ

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2015

---

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. 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.

#### **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 trustees of Education Partnership Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year 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.

##### Trustees' 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 trustees

The Trust has a total of eight Directors as shown on Page 1. This includes the Chief Executive and the Chair of the Local Governing Body of The Heights and Eden School. 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, the current needs of each Free School and governance good practice at Trust level.

A joint Local Governing Body (LGB) for The Heights and Eden was established with effect from 1 September 2014.

##### Policies and procedures adopted for the induction and training of trustees

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 Corporate Governance & Accountability Handbook.

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### Organisational structure

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

The role of the Trust is:

- To be ultimately responsible for all decisions regarding the strategic running of the MAT as a whole and the individual schools within it
- Oversight of standards and outcomes across the trust and the individual schools
- Oversight of finances of the trust and the individual schools

The role of each LGB as set out in the DfE Governors' Handbook Sept 2014 is to:

- Ensure clarity of vision, ethos and strategic direction
- Hold the Headteacher to account for the educational performance of the school and its pupils, and the performance management of staff
- Oversee the financial performance of the school and making sure its money is well spent

The Scheme of Delegation framework sets out the responsibilities of the key roles in relation to each school within the Trust.

The Board of Directors is able to delegate identified functions to any Director, committee (including any Local Governing Body), or any other holder of an executive office, to the extent of power or function which they consider desirable to be exercised by them. Any such delegation shall be made subject to any conditions the Directors may impose, and may be revoked or altered. The Directors shall appoint Headteachers of the participating schools. The Directors may delegate such powers and functions as they consider are required to the Chief Executive Officer and the Headteachers for the internal organisation, management and control of the Schools (including the implementation of all policies approved by the Directors and for the direction of the teaching and curriculum at the Schools). The Board of Directors is responsible for ensuring that high standards of corporate governance are maintained. It should exercise its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the free schools.

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 structure will be reviewed as the Trust grows to ensure sufficient capacity to deliver.

### Related parties and other connected charities and organisations

The BwD Education Improvement Partnership Ltd is a corporate member of the Education Partnership Trust.

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### 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 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 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 two Free Schools – The Heights Free School and Eden School.

#### Objectives, strategies and activities

The main aims of the Trust for the year were:

- To open Eden School in September 2014
- To secure pupil numbers as outlined in the Eden financial plan
- For the Heights to be judged as at least good by Ofsted

#### Public benefit

The trustees 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.

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### Strategic report

#### Achievements and performance

The following were achieved by August 2015:

#### ***The Heights Free School***

The Heights (opened in September 2013) is an Alternative Provision school sharing a campus with a BESD specialist school (Eden) offering a range of appropriate vocational and academic courses for young people mainly in Key Stage 4, at risk of exclusion or who have been excluded from mainstream secondary schools and or poor attendance of 80% and below). Our students are referred from local high schools who can opt for part time or full time places. Over 90% of the students attend full time.

Numbers on roll vary and build throughout the each year to around 60 full time key stage 4 students, 15 key stage 3 Nurture Students and 10 key stage 2 Primary Nurture pupils. A small number of Year 9 students access our key stage 4 programme, full time, in the summer term. Students access the provision throughout the year with around 20 arriving throughout year 11. Key Stage 2 and 3 provision consists of block attendance for six to twelve weeks with the majority of students successfully returning to their mainstream school. Around thirty students each year access our Anger Management Programme.

Over 80% of our students come to us having been designated as having Special Educational Needs and or Disabilities (SEND). A small number have a Statement/Education and Health Care Plan (EHCP) currently 9. By far the majority of our students come from areas of high deprivation and have experienced significant difficult and traumatic family circumstances. 80% of students are eligible for Free School Meals and five are Children in our Care (CIOC).

#### ***Eden School***

Eden is a BESD Special Free School which opened in September 2014 to provide special school provision for pupils with social, emotional and mental health needs (age 7-16). BwD Council SEN team commissioned an initial 24 places for year 1 and have worked closely with school to identify pupils who would benefit from the specialist provision on offer and also to allow the school to develop during its first year. Eden currently occupy a small area of The Heights until the new school building is completed. Delays on the building have restricted admissions but quality and progress has been maintained and a plan is in place to make up for lost time once the new school building is open.



# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### Key performance indicators

#### ***The Heights Free School***

In September 2014, after 12 months of opening, The Heights Free School received an Ofsted inspection and achieved a good rating in "Leadership and Management", "Behaviour and Safety of Pupils", "Quality of Teaching" and the "Achievement of Pupils". The report highlighted many strengths within the school including how leadership has established a good "culture of sharing good ideas and practices amongst teachers". The report commented on how students were proud of the school and are encouraged to have high aspirations and respond well to most challenges. The report also noted how achievement in vocational subjects was particularly good and how students "make good progress in literacy, numeracy and computing". Ofsted also highlighted how our partner schools have high regard for the impact The Heights has had on their students' social, moral and cultural attitudes. The report noted that parents feel their children are 'safe, happy and making good progress'.

The Heights own stakeholder surveys in the Summer of 2015 reaffirmed many of Ofsted's views:

- 93.5% of pupils said, "Teaching is good at the Heights"
- 100% of parents/carers agree that "My child is making good progress at the Heights".
- 100% of stakeholders agree that "The Heights meets the needs of pupils"

The Key Stage 4 curriculum is aimed at supporting young person to achieve appropriate qualifications, improve attendance and behaviour so that they can successfully move into college and or training at post 16. Our wide range of vocational courses are supported by P.E. PSHE, employability, citizenship, enrichment and ICT. All pupils study either GCSE English & English or Functional Skills equivalent.

Key stage 2 and 3 follow a curriculum with an emphasis on nurture. The curriculum is based on the relative key stage for English and maths as well as a topic approach to ensure it is broad and balanced. There are a range of enrichment and life skills aspects offered dependant upon the age and stage of each student. Academically, pupils arrive with low and very low starting points. 80% of students arriving in key stage 4 are low attainers (key stage 2 results below level 4). Only a very small percentage of students in Year 11, would be considered higher attainers (key stage 2 above level 4).

Academic results this year far surpassed last year's achievements.

Year 11:

- 56% of pupils achieved Level 2 in English
- 56% of pupils achieved Level 2 in Maths
- In vocational subjects, 8 out of 10 pupils reached or exceeded their targets, based on national standards
- 100% of pupils achieved a pass in at least one subject.

Year 10:

- 94% of pupils are meeting or exceeding their targets in English.
- 89% of pupils are meeting or exceeding their targets in Maths.
- 83% of pupils are meeting or exceeding their targets in Vocational Subjects.
- As of 23rd July 2015, 39 out of 41 of our pupils progressed into education, employment or training (EET) with 6 pupils being accepted on Level 3 courses.
- Overall attendance was 89%. Again, this would put the Heights in the top 5% of Alternative Provision schools and PRU's in the country.

The leaders, managers and governors have made strong links with parents, other schools and external agencies to enable students to be well prepared and supported for their future in modern Britain.

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### *Eden School*

Eden has 11 pupils that have a wide range of needs and abilities. They are taught in two groups that are based on ability (not age). 2 pupils arrived in the summer term and are not included in the performance data below.

Attendance for academic year 2014/15 was 96%.

Pupils had very low starting points in core subjects and all pupils were set aspirational targets of 1 whole National Curriculum level in year 1. This accelerated progress would close the gap, meet and exceed national benchmarks for pupil progress.

Number of pupils meeting accelerated progress target for READING – 9 / 9

Number of pupils exceeding accelerated progress target for READING – 5 / 9

Number of pupils meeting accelerated progress target for WRITING – 7 / 9

Number of pupils exceeding accelerated progress target for WRITING – 1 / 9

Number of pupils meeting accelerated progress target for MATHS – 8 / 9

Number of pupils exceeding accelerated progress target for MATHS – 4 / 9

Pupils are monitored on a lesson by lesson basis for their behaviour and class work. They also have a class group target and an individual target. During the academic year 2014/15 ALL pupils exceeded the whole school target of 85% positive pupil monitoring points. Rewards and sanctions are in place to support the pupil monitoring system.

Individual education plans are in place to maintain this level of achievement/progress and support those that need additional intervention.

During Year 1, a new Free School is subject to three monitoring visits by the Department for Education. Each visit highlighted strengths and areas for development. All issues identified have been actioned and each visit was judged GOOD or better by the inspection team.

*A summary from the latest inspection report quotes that:*

"The school has gone from strength to strength. Excellent teaching is characterised by expectations of consistently high standards of work from pupils, so pupils are making rapid progress. They attend regularly and generally behave well. Leaders meticulously monitor pupils' progress, attendance and behaviour and developing systems and structures in response to pupils' needs."

### *Cross campus support*

Eden has been extremely well supported by staff and systems in place at The Heights. This has allowed us to ensure accelerated progress, collaboration and sustained improvement. Staff appraisal, work scrutiny and the development of new systems and ideas have been closely monitored and evaluated by colleagues, pupils, parents, Governors and external partners.

### *Key targets for 2015/16:*

Increase pupil numbers to 24

Complete DfE monitoring cycle maintaining and exceeding current targets.

Prepare for and achieve an outstanding judgment from OFSTED (Term 2).

Develop monitoring and evaluation systems further to maintain levels of progress for new pupils.

Make a successful transition into the new school building (March 2016).

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### Going concern

After making appropriate enquiries, the board of trustees 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 trustees 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.

### **Financial review**

The Trust's total incoming resources during the year were £5,097,123 (2014: £5,635,507), of which £2,529,628 (2014: £2,876,634) was from the EFA for capital works relating to Eden (2014 - The Heights). In the prior year £1,289,670 related to the transfer in of net assets from the Local Authority, no such transfer took place for Eden as it was a new school. Project development and related set up costs funding for new schools received from the EFA during the year were £236,391 (2014: £433,122).

Total outgoing resources for the year were £1,933,639 (2014: £1,691,857). The excess of income over expenditure was £3,163,484 (2014: £3,943,650) of which £2,906,353 (2014: £4,082,342) related to committed capital projects.

At the year end the Trust's total reserves were £7,062,721 (2014: £3,907,237) of which, £364,354 (2014: £71,535) was unrestricted, £251,672 (2014: £269,360) was general restricted funds, £542,000 (2014: £516,000) the deficit on the restricted pension fund and £6,988,695 (2014: £4,082,342) 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 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.

The Governing Body will ensure that the Reserves Policy is in accordance with the requirements laid down in the Academies Financial Handbook by the EFA. The Department for Education expects Trusts to use their allocated funding for the full benefit of current pupils. If Trusts have a substantial surplus, they must have a clear plan for how it will be used to benefit their 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 3-yearly cycle.

At the year end the Trust has met the reserves target and there is a longer term school development plan in place to use some of the reserves to develop and improve the school.

### Investment policy and powers

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.

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### Principal risks and uncertainties

For the period covering these financial statements, the Local Governing Body (LGB) alongside the Principal were responsible for identifying risks faced by the Trust and its schools. With the support of the Principal and the Director of Business and Finance, 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 as the Trust has approved the revised Risk Assessment Policy and Risk Register following a review by the Audit & Finance Committee.

The internal financial systems are based on the Academies Financial Handbook and are documented in The Financial Procedures Manual. The systems are based on a framework of segregation of duties, schemes of delegation which include authorisation and approval. The Trust will review the Financial Regulations as part of the wider Corporate Governance & Accountability Framework. 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.

### **Plans for future periods**

- The first priority of the Trust is to develop educational excellence across all our schools with outstanding teaching and learning and outstanding leadership and management.
- The Trust plans to develop the range of services and support the Trust can provide to our individual schools
- The Trust's improvement priorities are clearly outlined in the Trust's Development Plan. These are to optimise the trust's financial performance and ensure sound and effective financial controls and management, to ensure capacity to deliver and establish effective central office support and to ensure information is shared efficiently, securely and reliably.
- To secure Funding Agreements for Coal Clough High School and Pleckgate High School and for the schools to become part of the EPT as sponsored academies.

### **Funds held as custodian trustee on behalf of others**

The Trust does not hold any funds as custodian Trustee.

### **Auditor**

In so far as the trustees are aware:

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

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2015 and signed on its behalf by:



**Mr D Callaghan**

# EDUCATION PARTNERSHIP TRUST

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

---

### Scope of responsibility

As trustees 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 trustees has delegated the day-to-day responsibility to the headteacher, 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 trustees any material weaknesses or breakdowns in internal control.

### Governance

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

Trustees	Meetings attended	Out of possible
Mr D Callaghan	4	4
Mr H Patel (Resigned 11 July 2015)	0	4
Ms S Roscoe	4	4
Mrs A Allen	1	4
Mr A Burton (Resigned 1 November 2015)	3	4
Mr L Green	2	4
Mr A Arkwright (Resigned 1 September 2015)	4	4
Mr H Catherall	4	4
Mr I Brown	3	4
Mrs T Stuart (Appointed 1 September 2015)		
Mr M Cheston (Appointed 1 September 2015)		

During the year the trust carried out a review of governance using the National Governors Association standard questionnaire. This review led to 2 new trustees being appointed in September 2015 based on identified skills gaps at board level. These included the appointment of a director with financial knowledge and expertise and a director from the further education sector with experience of working within a multi-academy trust. The board now includes a range of knowledge and expertise from both the commercial and public sector. This review also takes place at local governing body level. The trust intends to undertake a review of governance on an annual basis.

## EDUCATION PARTNERSHIP TRUST

### GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

The audit and finance committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the Local Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Local Governing Body's responsibility to ensure sound management of the School's business resources, including proper planning, monitoring and probity. This Committee's responsibilities include all elements of policy development and review including admissions and appeals, financial management, internal audit, ICT, personnel and staffing, Estates, Health and safety, Service Level Agreements (SLAs) and all non-education matters. To make appropriate comments and recommendations on such matters to the Local Governing Body on a regular basis. Major issues will be referred to the full Local Governing Body for ratification.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr D Callaghan	4	4
Ms S Roscoe	4	4
Mr H Catherall	4	4

#### Review of value for money

As accounting officer the headteacher 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.

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 trustees 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:

- The appointment of a HR Manager will reduce costs in the medium to long term as this is more cost effective and presents better Value for Money than commissioning external HR support and advice
- Securing the Sponsor Capacity Fund enabled the Trust to develop the ICT infrastructure, additional office space and central services
- A review of payroll services, including a tendering and procurement exercise resulted in the appointment of a new provider which offered Best Value in terms of quality of service and cost

#### 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 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

#### Capacity to handle risk

The board of trustees 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 trustees 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 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# EDUCATION PARTNERSHIP TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### 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 trustees;
- 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 trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Moore and Smalley LLP to carry out additional checks on financial controls and procedures on a regular basis.

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
- testing of purchase systems
- testing of control account and bank reconciliations.

On a termly basis, reports are made to the board of trustees (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 trustees.

The trust has considered these reports and the schedule of work has been delivered as planned. All action plans advised of in the report have been taken in to consideration and remedial action is being taken to rectify the issues.


### Review of effectiveness

As accounting officer the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

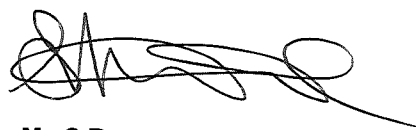
- creation of the financial procedures manual;
- the work of the external auditor;
- the termly additional checks carried out by Moore and Smalley LLP;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

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 trustees on 11 December 2015 and signed on its behalf by:



Mr D Callaghan



Ms S Roscoe

## **EDUCATION PARTNERSHIP TRUST**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015**

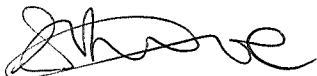
---

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 trustees and EFA.

Approved on 11 December 2015 and signed by:



**Ms S Roscoe**  
**Accounting Officer**



## EDUCATION PARTNERSHIP TRUST

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

---

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

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 trustees 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 the EFA/DfE have been applied for the purposes intended.

The trustees 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 board of trustees on 11 December 2015 and signed on its behalf by:



**Mr D Callaghan**

# **EDUCATION PARTNERSHIP TRUST**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF EDUCATION PARTNERSHIP TRUST**

---

We have audited the accounts of Education Partnership Trust for the year ended 31 August 2015 set out on pages 20 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees, who are also the directors of Education Partnership Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

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

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

## EDUCATION PARTNERSHIP TRUST

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)


#### TO THE MEMBERS OF EDUCATION PARTNERSHIP TRUST

---

##### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Tracey Johnson (Senior Statutory Auditor)**  
**Moore and Smalley LLP**

**Chartered Accountants**  
**Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

Dated: 16 December 2015

## **EDUCATION PARTNERSHIP TRUST**

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

---

In accordance with the terms of our engagement letter dated 07 February 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 the EFA 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 the EFA 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 the Education Partnership Trust and the EFA, 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. 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 FUNDING AGENCY (CONTINUED)

---

#### Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Tracey Johnson**  
**Reporting Accountant**  
**Moore and Smalley LLP**  
Richard House  
9 Winckley Square  
Preston  
PR1 3HP

Dated: 16 December 2015

# EDUCATION PARTNERSHIP TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
<b><u>Incoming resources</u></b>	<b>Notes</b>					
<i>Resources from generated funds</i>						
- Voluntary income	2	-	32,642	-	32,642	2,700
- Transfer in from Local Authority	24	-	-	-	-	1,289,670
- Activities for generating funds	3	35,005	-	-	35,005	287
- Investment income	4	282	-	-	282	270
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	494,832	1,657,728	2,876,634	5,029,194	4,342,580
<b>Total incoming resources</b>		<b>530,119</b>	<b>1,690,370</b>	<b>2,876,634</b>	<b>5,097,123</b>	<b>5,635,507</b>
<b><u>Resources expended</u></b>						
<i>Costs of generating funds</i>						
- Fundraising trading	6	33,380	-	-	33,380	-
<i>Charitable activities</i>						
- Educational operations	7	275,595	1,441,926	144,843	1,862,364	1,672,253
Governance costs	8	-	37,895	-	37,895	19,604
<b>Total resources expended</b>	<b>6</b>	<b>308,975</b>	<b>1,479,821</b>	<b>144,843</b>	<b>1,933,639</b>	<b>1,691,857</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>221,144</b>	<b>210,549</b>	<b>2,731,791</b>	<b>3,163,484</b>	<b>3,943,650</b>
Gross transfers between funds		71,675	(246,237)	174,562	-	-
<b>Net income/(expenditure) for the year</b>		<b>292,819</b>	<b>(35,688)</b>	<b>2,906,353</b>	<b>3,163,484</b>	<b>3,943,650</b>
<b><u>Other recognised gains and losses</u></b>						
Actuarial gains/(losses) on defined benefit pension scheme	22	-	(8,000)	-	(8,000)	(110,000)
<b>Net movement in funds</b>		<b>292,819</b>	<b>(43,688)</b>	<b>2,906,353</b>	<b>3,155,484</b>	<b>3,833,650</b>
Fund balances at 1 September 2014		71,535	(246,640)	4,082,342	3,907,237	73,587
<b>Fund balances at 31 August 2015</b>	<b>14</b>	<b>364,354</b>	<b>(290,328)</b>	<b>6,988,695</b>	<b>7,062,721</b>	<b>3,907,237</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the Trust's activities derive from continuing operations during the two financial periods above.

# EDUCATION PARTNERSHIP TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015		2014	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		5,068,646		4,082,342
<b>Current assets</b>					
Debtors	12	2,469,889		293,242	
Cash at bank and in hand		403,489		102,425	
		<u>2,873,378</u>		<u>395,667</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(337,303)		(54,772)	
<b>Net current assets</b>			<u>2,536,075</u>		<u>340,895</u>
<b>Net assets excluding pension liability</b>			<u>7,604,721</u>		<u>4,423,237</u>
Defined benefit pension liability	22		(542,000)		(516,000)
<b>Net assets</b>			<u><u>7,062,721</u></u>		<u><u>3,907,237</u></u>
<b>Funds of the trust:</b>					
<b>Restricted funds</b>	14				
- Fixed asset funds			6,988,695		4,082,342
- General funds			251,672		269,360
- Pension reserve			(542,000)		(516,000)
<b>Total restricted funds</b>			<u>6,698,367</u>		<u>3,835,702</u>
<b>Unrestricted income funds</b>	14		<u>364,354</u>		<u>71,535</u>
<b>Total funds</b>			<u><u>7,062,721</u></u>		<u><u>3,907,237</u></u>

The accounts were approved by order of the board of trustees and authorised for issue on 11 December 2015.



Mr D Callaghan

Company Number 07950891

# EDUCATION PARTNERSHIP TRUST

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	18	475,344	(26,918)
<b>Returns on investments and servicing of finance</b>			
Investment income	282	270	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		282	270
		475,626	(26,648)
<b>Capital expenditure and financial investments</b>			
Capital grants received	639,202	2,529,628	
Payments to acquire tangible fixed assets	(813,764)	(2,529,628)	
<b>Net cash flow from capital activities</b>		(174,562)	-
<b>Increase/(decrease) in cash</b>	19	301,064	(26,648)



# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

---

### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

#### 1.3 Incoming resources

All incoming resources are recognised when the trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### 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 is certainty of receipt and the value of the donation is measurable.

##### Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

##### Donated services and gifts in kind

The value of donated services and gifts in kind provided to the trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's policies.

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 1 Accounting policies

(Continued)

#### 1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

##### Charitable activities

These are costs incurred on the trust's educational operations.

##### Governance costs

These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### 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.

On the 1 September 2013, The Heights Free School acquired the land and buildings from which it operates under a 125 year lease with Blackburn with Darwen Borough Council. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 March 2013 on behalf of the Department for Education by DTZ. This valuation has been adjusted to take account of depreciation in the period since it opened, to arrive at an estimate for the value buildings acquired on opening.

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%
Assets under const'n	0%
Computer equipment	25%
Fixtures, fittings & equipment	20%
Motor vehicles	20%

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

---

### 1 Accounting policies

(Continued)

#### 1.6 Leasing and hire purchase commitments

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

#### 1.7 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.

#### 1.8 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 quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi-employer scheme and the trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1.9 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 trustees.

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 2015

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	-	32,642	32,642	2,700

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other income	35,005	-	35,005	287

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	282	-	282	270

### 5 Funding for the trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	1,106,780	1,106,780	950,780
Start up grants	-	168,464	168,464	-
Capital grants	-	2,876,634	2,876,634	2,529,628
Other DfE / EFA grants	-	299,579	299,579	444,531
	-	4,451,457	4,451,457	3,924,939
<b>Other government grants</b>				
Local authority grants	-	82,855	82,855	-
<b>Other funds</b>				
Other incoming resources	494,832	50	494,882	417,641
<b>Total funding</b>	494,832	4,534,362	5,029,194	4,342,580

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
<b>Trust's educational operations</b>					
- Direct costs	936,305	36,216	146,373	1,118,894	968,103
- Allocated support costs	375,927	177,454	190,089	743,470	704,150
	<u>1,312,232</u>	<u>213,670</u>	<u>336,462</u>	<u>1,862,364</u>	<u>1,672,253</u>
<b>Other expenditure</b>					
Costs of activities for generating funds	33,380	-	-	33,380	-
Governance costs	-	-	37,895	37,895	19,604
	<u>33,380</u>	<u>-</u>	<u>37,895</u>	<u>71,275</u>	<u>19,604</u>
<b>Total expenditure</b>	<u>1,345,612</u>	<u>213,670</u>	<u>374,357</u>	<u>1,933,639</u>	<u>1,691,857</u>

### Net income/(expenditure) for the year includes:

	2015 £	2014 £
Fees payable to auditor		
- Audit	7,975	6,000
- Other services	2,169	5,358
- Additional termly reporting	2,175	1,250
- Preparation of the statutory accounts	2,500	1,500
	<u>14,719</u>	<u>14,108</u>

### 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.

The amounts charged during the year were as follows:

	Total £
The Heights Free School	59,675
Eden School	12,000
	<u>71,675</u>

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b>Direct costs</b>				
Teaching and educational support staff costs	272,307	663,998	936,305	760,864
Depreciation	-	36,216	36,216	36,216
Technology costs	-	45,479	45,479	53,126
Educational supplies and services	-	81,494	81,494	105,486
Examination fees	1,663	17,737	19,400	12,411
	<u>273,970</u>	<u>844,924</u>	<u>1,118,894</u>	<u>968,103</u>
<b>Allocated support costs</b>				
Support staff costs	-	362,927	362,927	285,260
Depreciation	-	108,627	108,627	106,740
Maintenance of premises and equipment	1,625	67,202	68,827	26,317
Cleaning	-	22,545	22,545	23,493
Energy costs	-	32,299	32,299	38,359
Rent and rates	-	28,193	28,193	16,630
Insurance	-	17,906	17,906	16,701
Security and transport	-	3,673	3,673	4,529
Catering	-	24,879	24,879	21,610
Interest and finance costs	-	13,000	13,000	17,000
Other support costs	-	60,594	60,594	147,511
	<u>1,625</u>	<u>741,845</u>	<u>743,470</u>	<u>704,150</u>
<b>Total costs</b>	<u>275,595</u>	<u>1,586,769</u>	<u>1,862,364</u>	<u>1,672,253</u>

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	23,076	23,076	5,496
Auditor's remuneration				
- Audit of financial statements	-	7,975	7,975	6,000
- Other services	-	6,844	6,844	8,108
	<u>-</u>	<u>37,895</u>	<u>37,895</u>	<u>19,604</u>

## EDUCATION PARTNERSHIP TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

#### 9 Staff costs

	2015 £	2014 £
Wages and salaries	1,056,506	848,284
Social security costs	77,494	61,332
Other pension costs	166,604	131,014
	<u>1,300,604</u>	<u>1,040,630</u>
Supply teacher costs	20,514	22,494
Compensation payments	24,494	-
	<u>24,494</u>	<u>-</u>
Total staff costs	<u>1,345,612</u>	<u>1,063,124</u>

The average number of persons (including senior management team) employed by the trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	6	3
Administration and support	22	25
Management	12	7
	<u>40</u>	<u>35</u>

The number of employees whose annual emoluments were £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	1	1
£70,000 - £80,000	1	1
	<u>2</u>	<u>2</u>

During the year, £24,494 was paid to one of the employees on termination of their contract.

During the year ended 31 August 2015, two (2014: one) of the above employees participated in the Teacher's Pension Scheme and none (2014: one) in the Local Government Pension Scheme. Pension contributions paid on behalf of these employees were £18,703 and £nil respectively (2014: £10,361 and £3,615).

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees 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 trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

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

S Roscoe - Chief Executive Officer and Trustee:

Remuneration - £65,000 - £70,000 (2014: £25,000 - £30,000 - 5 months)

Employers' pension contribution - £5,000 - £10,000 (2014: £nil - £5,000 - 5 months)

However, during the year BwD Education Improvement Partnership Ltd (EIP), a member of Education Partnership Trust, procured consultancy services from the Trust. The Trust charged £33,380 for S Roscoe's time, which was at cost.

During the year travel and subsistence expenses totalling £893 (2014: £645) were reimbursed to two trustees (2014: one). As disclosed within the related parties note there were no other transactions involving the governors.

#### Trustees' and officers' insurance

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees 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.

### 11 Tangible fixed assets

	Land and buildings	Assets under const'n	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2014	3,927,813	-	144,840	120,000	32,645	4,225,298
Additions	-	1,131,147	-	-	-	1,131,147
At 31 August 2015	3,927,813	1,131,147	144,840	120,000	32,645	5,356,445
<b>Depreciation</b>						
At 1 September 2014	76,200	-	36,216	24,000	6,540	142,956
Charge for the year	78,087	-	36,216	24,000	6,540	144,843
At 31 August 2015	154,287	-	72,432	48,000	13,080	287,799
<b>Net book value</b>						
At 31 August 2015	3,773,526	1,131,147	72,408	72,000	19,565	5,068,646
At 31 August 2014	3,851,613	-	108,624	96,000	26,105	4,082,342



# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 11 Tangible fixed assets

(Continued)

Land and buildings are all on a long leasehold and includes non depreciable land at a value of £118,000.

### 12 Debtors

	2015 £	2014 £
Trade debtors	191,170	13,787
VAT recoverable	21,155	20,473
Other debtors	13,784	27,743
Prepayments and accrued income	2,243,780	231,239
	<u>2,469,889</u>	<u>293,242</u>

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

	2015 £	2014 £
EFA creditors	-	27,571
Other creditors	7,370	10,333
Accruals	329,933	16,868
	<u>337,303</u>	<u>54,772</u>

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 14 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant	-	1,106,780	(963,216)	(71,675)	71,889
Start up grants	-	168,464	(168,464)	-	-
Other DfE / EFA grants	269,360	299,579	(214,594)	(174,562)	179,783
Other government grants	-	82,855	(82,855)	-	-
Other restricted funds	-	32,692	(32,692)	-	-
	<u>269,360</u>	<u>1,690,370</u>	<u>(1,461,821)</u>	<u>(246,237)</u>	<u>251,672</u>
Funds excluding pensions	(516,000)	-	(18,000)	(8,000)	(542,000)
	<u>(246,640)</u>	<u>1,690,370</u>	<u>(1,479,821)</u>	<u>(254,237)</u>	<u>(290,328)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA and other capital grants	-	2,876,634	-	(956,585)	1,920,049
Inherited fixed asset fund	1,658,230	-	(37,440)	-	1,620,790
Capital expenditure from GAG or other funds	2,424,112	-	(107,403)	1,131,147	3,447,856
	<u>4,082,342</u>	<u>2,876,634</u>	<u>(144,843)</u>	<u>174,562</u>	<u>6,988,695</u>
<b>Total restricted funds</b>	<u>3,835,702</u>	<u>4,567,004</u>	<u>(1,624,664)</u>	<u>(79,675)</u>	<u>6,698,367</u>
<b>Unrestricted funds</b>					
General funds	<u>71,535</u>	<u>530,119</u>	<u>(308,975)</u>	<u>71,675</u>	<u>364,354</u>
<b>Total funds</b>	<u>3,907,237</u>	<u>5,097,123</u>	<u>(1,933,639)</u>	<u>(8,000)</u>	<u>7,062,721</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 School 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 2015.

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 2015

### 14 Funds

(Continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
The Heights Free School	263,454
Eden School	71,941
Central services	280,631
Funds excluding fixed asset fund and pensions reserve	616,026
Restricted fixed asset fund	6,988,695
Pension reserve	(542,000)
Total funds	7,062,721

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
The Heights Free School	690,199	249,744	67,299	233,887	1,241,129
Eden School	246,106	35,796	12,736	69,475	364,113
Central services	-	92,440	19,786	71,328	183,554
	936,305	377,980	99,821	374,690	1,788,796

### 15 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	-	-	5,068,646	5,068,646
Current assets	364,354	271,592	2,237,432	2,873,378
Creditors falling due within one year	-	(19,920)	(317,383)	(337,303)
Defined benefit pension liability	-	(542,000)	-	(542,000)
	364,354	(290,328)	6,988,695	7,062,721

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 16 Capital commitments

	2015 £	2014 £
At 31 August 2015 the company had capital commitments as follows:		
Expenditure contracted for but not provided in the accounts	1,920,049	213,122

### 17 Commitments under operating leases

At 31 August 2015 the trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
- Within one year	10,066	-
- Between two and five years	4,780	14,846
	14,846	14,846

### 18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income	3,163,484	3,943,650
Capital grants and similar income	(2,876,634)	(2,529,628)
Net deficit/(surplus) inherited on transfer	-	(1,289,670)
Investment income	(282)	(270)
Defined benefit pension costs less contributions payable	5,000	(17,000)
Defined benefit pension finance costs/(income)	13,000	17,000
Depreciation of tangible fixed assets	144,843	142,956
(Increase)/decrease in debtors	60,785	(293,242)
Increase/(decrease) in creditors	(34,852)	(714)
Net cash inflow/(outflow) from operating activities	475,344	(26,918)

### 19 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash	301,064	(26,648)
Net funds at 1 September 2014	102,425	129,073
Net funds at 31 August 2015	403,489	102,425

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 20 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	102,425	301,064	-	403,489

### 21 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.

### 22 Pensions 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 2013.

Contributions amounting to £7,370 (2014: £10,333) were payable to the schemes at 31 August 2015 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' Pensions Regulations (2010) and, from 1 April 2014, 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

Not less than every four years 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 2015

### 22 Pensions 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 (currently 14.1%))
- 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%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, 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 £109,552 (2014: £96,185).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a 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 12.4% for employers and 5.5 to 8.5% for employees. The estimated value of employer contributions for the forthcoming year is £93,000.

No additional deficit contributions are outstanding. However this position will be reviewed following the next triennial valuation in 2016.

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.

Contributions made	2015 £	2014 £
Employer's contributions (rounded)	91,000	74,000
Employees' contributions (rounded)	35,000	23,000
Total contributions	126,000	97,000
Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.7	3.7

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 22 Pensions and similar obligations

(Continued)

Rate of increase for pensions in payment	2.2	2.2
Discount rate for scheme liabilities	4.0	4.0
Inflation assumption (CPI)	2.2	2.2

The sensitivity of the scheme liabilities, and therefore the net deficit, to changes in the principal assumptions used to measure the scheme liabilities are as follows:

	As recognised in accounts £000	Sensitivity 1 + 0.1% p.a. discount rate £000	Sensitivity 2 + 0.1% p.a. inflation £000	Sensitivity 3 1 yr increase in life expectancy £000
Liabilities	1,050	1,021	1,079	1,068
Assets	(508)	(508)	(508)	(508)
Deficit/(surplus)	542	513	571	560

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

	2015 Years	2014 Years
Retiring today		
- Males	22.9	22.8
- Females	25.4	25.3
Retiring in 20 years		
- Males	25.1	25.0
- Females	27.8	27.7

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 22 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	34.4	175,000	49.7	181,000
Government bonds	5.5	28,000	0.2	1,000
Other bonds	2.6	13,000	26.6	97,000
Cash	1.3	7,000	2.4	9,000
Property	9.1	46,000	9.6	35,000
Other assets	47.1	239,000	11.5	42,000
Total market value of assets		508,000		365,000
Present value of scheme liabilities - funded		(1,050,000)		(881,000)
Net pension asset / (liability)		(542,000)		(516,000)

The expected rate of return on plan assets is based on market expectations. The assumptions used to determine the expected rate are an average of the assumed market expectations appropriate to the individual asset classes weighted by the proportion of the assets in a particular class. The actual return on scheme assets was £16,000 (2014: £24,000).

### Amounts recognised in the statement of financial activities

	2015 £	2014 £
<b>Operating costs/(income)</b>		
Current service cost (net of employee contributions)	96,000	57,000
Past service cost	-	-
Total operating charge	96,000	57,000
<b>Finance costs/(income)</b>		
Expected return on pension scheme assets	(25,000)	(17,000)
Interest on pension liabilities	38,000	34,000
Net finance costs/(income)	13,000	17,000
<b>Total charge/(income)</b>	109,000	74,000



# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 22 Pensions and similar obligations

(Continued)

#### Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	8,000	(7,000)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	-	117,000
Total (gains)/losses	8,000	110,000
Cumulative (gains)/losses to date	118,000	110,000

#### Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(881,000)	-
Obligations inherited on transfer	-	(650,000)
Current service cost	(96,000)	(57,000)
Interest cost	(38,000)	(34,000)
Contributions by employees	(35,000)	(23,000)
Actuarial gains/(losses)	-	(117,000)
At 31 August 2015	(1,050,000)	(881,000)

#### Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	365,000	-
Assets inherited on transfer	-	244,000
Expected return on assets	25,000	17,000
Actuarial gains/(losses)	(8,000)	7,000
Contributions by employers	91,000	74,000
Contributions by employees	35,000	23,000
At 31 August 2015	508,000	365,000

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 22 Pensions and similar obligations

(Continued)

#### History of experience gains and losses

	2015 £	2014 £
Present value of defined benefit obligations	(1,050,000)	(881,000)
Fair value of share of scheme assets	508,000	365,000
Surplus / (deficit)	<u>(542,000)</u>	<u>(516,000)</u>
Experience adjustment on scheme assets	(8,000)	7,000
Experience adjustment on scheme liabilities	-	-

### 23 Related parties

Owing to the nature of the trust's operations and the composition of the board of trustees 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.

BwD Education Improvement Partnership Ltd (EIP) is a member of Education Partnership Trust and two of the Trust directors, Mr D J Callaghan and Mr H Patel, are also directors of the EIP. During the previous year the Trust procured consultancy services in relation to the set up of Eden School totalling £75,143 (current year: £nil). During the year EIP donated £15,053 towards the CE's salary (2014: £nil) and EIP procured consultancy services from the Trust totalling £33,379 (2014: £nil). In addition £nil (2014: £5,500) was paid to EIP in respect of the membership charge for the period 1 April 2014 to 31 March 2015. At the year end £13,784 was due from EIP (2014: £27,743).

### 24 Transfer in from Local Authority

Following the successful opening of The Heights Free School in the previous year, the Trust opened Eden School during the current year. Unlike the Heights, Eden is a completely new build school and no assets or liabilities have been transferred in.