

**EDUCATION PARTNERSHIP TRUST**  
(a Company Limited by Guarantee)

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**31 AUGUST 2013**

# EDUCATION PARTNERSHIP TRUST

## CONTENTS

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	<b>Page</b>
REFERENCE AND ADMINISTRATIVE DETAILS	1
DIRECTORS'/TRUSTEES' REPORT	2
GOVERNANCE STATEMENT	8
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE	10
STATEMENT OF DIRECTORS'/TRUSTEES' RESPONSIBILITIES	11
INDEPENDENT AUDITOR'S REPORT	12
INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE SCHOOL TRUST AND THE EDUCATION FUNDING AGENCY	14
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATES THE INCOME & EXPENDITURE ACCOUNT AND THE STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)	16
BALANCE SHEET	17
CASH FLOW STATEMENT	18
NOTES TO THE FINANCIAL STATEMENTS	19

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# EDUCATION PARTNERSHIP TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Directors/Trustees</b>	Mr D J Callaghan (Chair) – appointed 15/02/12 Mr H Patel – appointed 15/02/12 Ms S Roscoe – appointed 15/02/12
<b>Members</b>	BwD Educational Improvement Partnership Limited Mr D J Callaghan Ms S Roscoe Mr H Patel
<b>Registered office</b>	St Andrews House 11 Dalton Court Commercial Road Darwen Lancashire BB3 0DG
<b>Company registration number</b>	07950891 (England & Wales)
<b>Auditors</b>	Moore and Smalley LLP Chartered Accountants & Statutory Auditor Richard House Winckley Square Preston PR1 3HP
<b>Bankers</b>	The Co-operative Bank Plc PO Box 250 Skelmersdale WN8 6WT

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2013

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The Trustees (who are also Directors) present their annual report together with the audited financial statements of the Trust for the period ended 31 August 2013. These accounts present the set-up, development and capital income and expenditure received and incurred in the period to 31 August 2013, prior to the Trust opening its first free school The Heights Free School ("The Heights"), on 1 September 2013.

### **Structure, Governance and Management**

#### ***Constitution***

The multi-academy Trust ("the Trust") is a company limited by guarantee and an exempt charity and was incorporated on 15 February 2012. The Charitable Company's memorandum and articles of association are the primary governing documents of the Trust. Each school will have its own local authority Funding Agreement.

This Report and the Accounts reflect the activities of the Trust during the period and the Directors/Trustees, as listed on page 1, had responsibility for governance during the period. The Directors/Trustees for the charitable activities of the Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as 'Education Partnership Trust' and is also referred to in the accounts as the 'Trust'.

#### ***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 period 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'/Trustees' indemnities***

With effect from the 16 January 2014 the Trust has purchased indemnity insurance to protect Directors/Trustees and Officers from claims arising in connection with Trust business. The insurance provides cover of up to £2 million on any one claim

#### ***Principal activities***

The company's object is restricted 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").

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### *Method of recruitment and appointment or election of directors and governors*

The Directors of the main Trust at 28 February are shown on Page 1. No further appointments had been made at the date of this report. A process is currently being undertaken to expand the Board and to ensure that it includes an appropriate spread of skills.

A local Board of Governors has been established with effect from 1 September 2013 for The Heights Free School. The members have all been appointed by the Trust. Discussions are ongoing about the future governance structure for The Heights Free School and future member schools.

### *Policies and procedures adopted for the induction and training of governors*

All governors are provided with copies of the DfE Handbook for Governors and the School Education Brief on appointment. Induction training is provided by Skills Consortium Ltd and ongoing training will be provided through various agencies as identified through the skills audit and in line with the training development plan.

The Trust's intention is to develop in an intelligent and principled way - acting on the basis of good evidence and sound judgement.

Effective governance is critical to the success of the Trust and its schools. It is reliant upon a strong professional working relationship between Governors and the Principal where both parties know and understand both the extent and limits of their respective roles, responsibilities and accountabilities. In essence the Governing Body is responsible for:

- Establishing the vision and ethos of the School
- Setting the strategic direction of the School
- Promoting high standards and children's well-being
- Setting the budget and achieving value for money
- Setting the staffing structure
- Ensuring the quality of provision
- Managing resources
- Assessing and managing risks
- Ensure sound management and administration

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### ***Organisational structure***

As noted above, the Directors/Trustees had sole responsibility for governance during the period.

With effect from 1<sup>st</sup> September 2013 The Heights Free School was opened with its own local Governing Body. The organisational structure of the Trust now consists of 3 levels: the Trust, the Governing Body and the Committees.

The Trust is responsible for approving general policies, improvement plans and budgets, monitoring performance, making major policy decisions and appointing senior staff. Certain elements of these responsibilities are delegated to the following committees who make recommendations to the local governing bodies:

- Resources Committee
- Achievement & Wellbeing Committee
- Pay Committee

The Principal of The Heights Free School is currently the Accounting Officer.

The Senior Leadership Team currently comprises the following and will be reviewed as the Trust grows:

Principal	- George Sinclair
Trust Business Manager	- Diane Heap
Vice Principal of The Heights	- Gary Holding
Director Learning for The Heights	- Rob Brocklebank
Director of Learning for The Heights	- Hannah Saunders
Director of Learning for The Heights	- Nicola Graves

### ***Risk management***

The Resources Committee is currently reviewing the Risk Management Strategy of the Trust along with a Financial Management Governance Self Assessment. This will be an annually reviewed document coinciding with the Budget Setting process. For the period ended 28 February 2013, the Trust was not yet operational and income was solely restricted to Project Development grant and Capital grants.

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. Financial management information is relevant, timely and accurate and seeks to minimise risks by consistently applying current circumstances to future periods attempting to forecast ahead.

Full details will be found in The Financial Procedures Manual when complete.

### ***Connected organisations, including related party relationships***

The BwD Education Improvement Partnership Ltd is a corporate member of the Education Partnership Trust. During the period the BwD Education Improvement Partnership Ltd provided management and consultancy services.

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### Objectives and Activities

#### *Objects and Aims*

The Trust opened The Heights Free School in September 2013 to provide alternative education for young people at risk of not reaching their potential. Working in close partnership with our local schools, the local authority and external agencies, we will deliver highly personalised learning programmes to develop academic achievement, vocational skills and personal and social development en route to employment, education and training. The strong focus on qualifications and personalised learning can help the young people of Blackburn with Darwen to Engage, Enjoy & Achieve.

- Respect For Excellence - High expectations, aspirations and a spirit of excellence.
- Personalised Learning and Success - With an understanding that every individual is unique and special, the school will nurture, support and develop individuals using 21st century learning technology to achieve and succeed.
- All pupils are inspired to achieve - The pupils will be supported and challenged to realise their full potential.

#### *Public benefit*

The Directors/Trustees are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the period. The Trust is committed to becoming a community hub and engaging with the diverse community around the Trust and they hope to build on this next year.

### Achievements and Performance

The main objectives for the period were:

- To enter The Heights into a Funding Agreement with the Secretary of State for Education
- To be judged by the Department for Education as 'ready to open' in September 2013
- To attract a full cohort of pupils

These were achieved by the creation of the school and being open to its first pupils on 12<sup>th</sup> September 2013.

#### *Going concern*

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

# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### **Financial Review**

The Trust's total incoming resources during the period were £76,173, of which £76,069 was from EFA for the setup of the Trust.

Total outgoing resources for the period were £87,013. The excess of expenditure over income was £10,840.

At the period end the Trust's total reserves were £73,587 of which, £172 was unrestricted and £73,415 was general restricted.

At 28 February 2013 all assets shown in the accounts are to be used exclusively for completing the setup of the Trust and the opening of the Heights free school.

### ***Financial and risk management objectives and policies***

In the period ended 28 February 2013, the Trust was not wholly operational and the objective was to have in place robust financial systems to manage the risks associated with the capital programme.

### ***Reserves policy***

The Governing Body is in the process of developing a reserves policy.

### ***Investment policy***

The Governing Body is in the process of developing an investment policy.

### **Plans for future periods**

The Heights Free School has a 3 Year Education Development Plan 2013-16, which sets the strategic direction and focus of the school. This will be reviewed and rolled forward annually as part of the monitoring and evaluation cycle.

The Development Plan has priority areas including:

1. To provide all pupils with an outstanding education to prepare them for future learning
2. To create one to one learning environment where all pupils use learning devices to create a personalised learning experience
3. To develop teachers and support staff so that they become outstanding practitioners
4. To provide top quality provision, establish high expectations and excellent pastoral care, guidance and support for our pupils
5. To work in partnership with parents, the community, and other stakeholders using the resources within the Trust and within the community to enhance learning and opportunity within the Trust ethos
6. The pupils will be supported, challenged and inspired to realise their full potential



# EDUCATION PARTNERSHIP TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### Funds held as Custodian Trustee on behalf of others

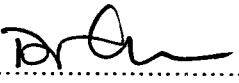
The Trust does not hold any funds as custodian Trustee.

### Auditor

In so far as the Directors/Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Directors/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.

Approved by order of the Directors/Trustees 11 February.....2014 and signed on its behalf by:

  
.....  
**D J Callaghan**  
**Chair**

# EDUCATION PARTNERSHIP TRUST

## GOVERNANCE STATEMENT

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### **Scope of responsibility**

The Board of the Trust acknowledges it has overall responsibility for ensuring that the 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 has delegated the day-to-day responsibility to the 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 The Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

### **Governance**

As detailed in previous sections, matters relating to Governance were the responsibility of the Directors/Trustees of the Trust throughout the period.

Since opening on 1 September 2013 a local Governing Body has been appointed for The Heights Free School and sub committees formed.

### **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 ongoing process designed to identify and prioritise the risks to the achievement of Trust's 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. A system of internal control was in place in the Trust for the period ended 28 February 2013 and has been further developed up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

Since its appointment, the Board 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 is of the view that there is now a formal on-going process for identifying, evaluating and managing the Trust's significant risks. This process will be regularly reviewed by the Board.

# EDUCATION PARTNERSHIP TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### 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;
- regular reviews by the 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 is currently considering the options for fulfilling its responsibilities to have regular reviews of its financial processes and procedures undertaken.

### Review of effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- Reports from the Trust Business Manager
- Creation of The Financial Procedures Manual.
- The external audit

Approved by order of the members of the Directors/Trustees on 11 February.....2014 and signed on its behalf by:

  
.....  
**D J Callaghan**  
**Chair**

  
.....  
**G Sinclair**  
**Accounting Officer**

# EDUCATION PARTNERSHIP TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2013

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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 main Trust Board 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 agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



**G Sinclair**  
**Accounting Officer**

# EDUCATION PARTNERSHIP TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR PERIOD ENDED 31 AUGUST 2013

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The Trustees ( who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education Funding Agency.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

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.

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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the trustees on 11 February 2014 and signed on its behalf by:

  
.....  
**D J Callaghan**  
**Chair**

# **EDUCATION PARTNERSHIP TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

### **FOR THE PERIOD ENDED 31 AUGUST 2013**

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We have audited the financial statements of Education Partnership Trust for the period ended 31 August 2013 which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the Trust'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 Trust'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 Trust 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 auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Educational Partnership Trust's affairs as at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

# EDUCATION PARTNERSHIP TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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

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

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

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

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

  
Tracey Johnson  
Senior Statutory Auditor

For and on behalf of  
Moore and Smalley LLP  
Chartered Accountants & Statutory Auditor

Richard House  
Winckley Square  
Preston  
PR1 3HP

3 March 2014

# EDUCATION PARTNERSHIP TRUST

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

FOR THE PERIOD ENDED 31 AUGUST 2013

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In accordance with the terms of our engagement letter dated 7 February 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Educational Partnership Trust during the period to 31 August 2013 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 the Educational 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 Educational 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 Educational 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 the Educational 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 2012, 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 2013. We report to you whether, in our opinion, 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 to 31 August 2013 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 2013 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 Educational Partnership Trust's income and expenditure.



## EDUCATION PARTNERSHIP TRUST

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SCHOOL TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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

#### 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 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Moore & Smalley LLP*

**Moore and Smalley LLP**  
**Chartered Accountants**

Richard House  
Winckley Square  
Preston  
PR1 3HP

*3 March 2014*

# EDUCATION PARTNERSHIP TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATES THE INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Investment income	2	104	-	-	104	68
<i>Incoming resources from charitable activities:</i>						
Funding for the School's educational operations	3	-	76,069	-	76,069	152,140
<b>Total incoming resources</b>		<b>104</b>	<b>76,069</b>	<b>-</b>	<b>76,173</b>	<b>152,208</b>
<b>Resources expended</b>						
<i>Charitable activities:</i>						
School's educational operations	5	-	80,180	-	80,180	64,378
Governance costs	6	-	6,833	-	6,833	3,403
<b>Total resources expended</b>	4	<b>-</b>	<b>87,013</b>	<b>-</b>	<b>87,013</b>	<b>67,781</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>104</b>	<b>(10,944)</b>	<b>-</b>	<b>(10,840)</b>	<b>84,427</b>
Gross transfers between funds	13	-	-	-	-	-
<b>Net income/(expenditure) for the Period/ Net movement in funds</b>		<b>104</b>	<b>(10,944)</b>	<b>-</b>	<b>(10,840)</b>	<b>84,427</b>
<b>Reconciliation of funds</b>						
Funds brought forward 1 March 2013		68	84,359	-	84,427	-
<b>Funds carried forward at 31 August 2013</b>	13	<b>172</b>	<b>73,415</b>	<b>-</b>	<b>73,587</b>	<b>84,427</b>

All of the Trust's activities derive from acquisitions in the current and previous financial periods.

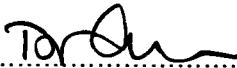
# EDUCATION PARTNERSHIP TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2013

		At 31 Aug 2013		At 28 Feb 2013	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		-		-
<b>Current assets</b>					
Debtors	11	-	25,000		
Cash at bank		<u>129,073</u>	<u>127,994</u>		
		129,073	152,994		
<b>Creditors:</b> Amounts falling due within one year	12	<u>(55,486)</u>	<u>(68,567)</u>		
<b>Net current assets</b>			73,587		84,427
<b>Net assets</b>			<u>73,587</u>		<u>84,427</u>
<b>Funds of the Trust:</b>					
<b>Restricted funds</b>					
Fixed asset funds	13	-	-		-
General funds	13	<u>73,415</u>	<u>84,359</u>		
<b>Total restricted funds</b>			73,415		84,359
<b>Unrestricted funds</b>	13		172		68
<b>Total funds</b>			<u>73,587</u>		<u>84,427</u>

The financial statements on pages 16 to 28 were approved by the Board, and authorised for issue on 11 February 2014 and are signed on their behalf by:

  
D J Callaghan  
Chair

Company Limited by Guarantee  
Registration Number 07950891

# EDUCATION PARTNERSHIP TRUST

## CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2013

	Notes	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
Net cash inflow from operating activities	17	975	127,926
Returns on investments and servicing of finance	18	104	68
Capital income/(expenditure)	19	-	-
<b>Increase in cash in the period</b>	20	<b>1,079</b>	<b>127,994</b>
Net funds at 1 March 2013		127,994	-
<b>Net funds at 31 August 2013</b>	20	<b>129,073</b>	<b>127,994</b>

All of the cash flows are derived from acquisitions in the current and previous financial periods.

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2013

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### 1 Statement of Accounting policies

#### **Basis of preparation**

The financial statements 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 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.

#### **Going concern**

The Board 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 Board make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### **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.

#### ***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.

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### 1 Statement of Accounting policies (continued)

#### *Donated services and gifts in kind*

The value of donated services and gifts in kind provided to the Trust are recognised at an estimate of their gross 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 Schools policies.

#### **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 governors' meetings and reimbursed expenses.

All resources expended are inclusive of any irrecoverable VAT.

#### **Tangible fixed assets**

Assets costing £1,000 or more are considered for capitalisation 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.

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### 1 Statement of Accounting policies (continued)

#### Tangible fixed assets (continued)

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

Buildings	50 years
Refurbishments to buildings	10 years to over the term of the lease
Furniture and equipment	5 years
Computer equipment	4 years

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

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.

#### Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

#### 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.

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### 1 Statement of Accounting policies (continued)

#### Pension benefits

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 23, the TPS is a multi employer scheme and the School 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 recognised as they are paid each period.

The LGPS is a funded scheme and the assets are held separately from those of the School 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.

#### Fund accounting

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

Restricted fixed asset funds are resources which have been utilised in acquiring fixed assets. The initial funding may have arisen from unrestricted funds or other restricted funds, a transfer from the appropriate fund is made to the fixed asset fund to identify the capitalisation of an asset and future depreciation on these assets will be charged to the fixed asset fund.

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



# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 2 Investment income

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
Bank interest	104	-	-	104	68
	104	-	-	104	68

### 3 Funding for School's educational operations

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
DfE/EFA revenue grants	-	76,069	-	76,069	152,140
Project development grant	-	76,069	-	76,069	152,140

### 4 Resources expended

	Staff costs £	Premises £	Other costs £	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
School's educational operations	-	-	80,180	80,180	64,378
Governance costs	-	-	6,833	6,833	3,403
	-	-	87,013	87,013	67,781

Incoming/outgoing resources for the period include:

	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
Fees payable to auditor:		
Audit of the financial statements	1,000	2,500
Preparation of the statutory accounts	-	588

### 5 Charitable activities – School's educational operations

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
<i>Support</i>					
ICT	-	208	-	208	-
Other supplies and services	-	79,972	-	79,972	64,378
	-	80,180	-	80,180	64,378

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 6 Governance costs

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
Audit and accountancy fee	-	1,000	-	1,000	2,500
Legal and professional	-	4,913	-	4,913	360
Other support costs	-	920	-	920	588
	-	6,833	-	6,833	3,403

### 7 Staff costs

No staff were employed in the period ended 31 August 2013.

### 8 Directors'/Trustees' remuneration and expenses

No Principal, directors or trustees received remuneration in respect of services. Directors/trustees did not receive any payments, other than expenses, from the Academy in respect of their role as directors/trustees.

During the period ended 31 August 2013, travel and subsistence expenses totalling £103 (prior year: £543) were reimbursed to directors/trustees.

Related party transactions involving the directors/trustees are set out in note 24.

### 9 Governors' and officers' insurance

In accordance with normal commercial practice, the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £2m on any one claim and this insurance was in place from the 16 January 2014.

### 10 Tangible fixed assets

No fixed assets were acquired in the period.

The Trust commenced a 125 year lease on School buildings from 1 September 2013 on a nominal peppercorn rent basis.

### 11 Debtors

	At 31 Aug 2013 £	At 28 Feb 2013 £
VAT recoverable	-	-
Other debtors	-	-
Prepayments and accrued income	-	25,000
	-	25,000

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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

	At 31 Aug 2013 £	At 28 Feb 2013 £
Accruals and deferred income	55,486	68,567
	<b>55,480</b>	<b>68,567</b>
<b>Deferred income</b>	<b>At 31 Aug 2013 £</b>	<b>At 28 Feb 2013 £</b>
Resources deferred in the period	-	38,035

At the balance sheet date the Trust was holding funds of £nil (prior year: £38,035) received in advance through grants for future periods, relating to the set-up and project development costs.

### 13 Funds

	Balance at 1 March 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2013 £
<b>Restricted general funds</b>					
EFA Project development grant	84,359	76,069	(87,013)	-	73,415
Other government grants	-	-	-	-	-
	<b>84,359</b>	<b>76,069</b>	<b>(87,013)</b>	<b>-</b>	<b>73,415</b>
<b>Unrestricted funds</b>	<b>68</b>	<b>104</b>	<b>-</b>	<b>-</b>	<b>172</b>
<b>Total funds</b>	<b>84,427</b>	<b>76,173</b>	<b>(87,013)</b>	<b>-</b>	<b>73,587</b>

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

Restricted general funds comprise Project Development grant funding for use on the Trust's set up costs.

Restricted fixed asset funds comprise any capital grants used for the purchase of fixed assets.

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 14 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	At 31 Aug 2013 Total funds £	At 28 Feb 2013 Total funds £
Tangible fixed assets	-	-	-	-	-
Current assets	172	128,901	-	129,073	152,994
Current liabilities	-	(55,486)	-	(55,486)	(68,567)
Pension scheme liability	-	-	-	-	-
<b>Total net assets</b>	<b>172</b>	<b>73,415</b>	<b>-</b>	<b>73,587</b>	<b>84,427</b>

### 15 Capital commitments

	At 31 Aug 2013 £	At 28 Feb 2013 £
Contracted for but not provided in the financial statements	-	-

### 16 Financial commitments

#### *Operating leases*

The school had no operating lease commitments at 31 August 2013 (prior year: £nil).

### 17 Reconciliation of net income to net cash inflow from operating activities

	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
Net income	(10,840)	84,427
Investment income	(104)	(68)
Capital grant from EFA and other capital income	-	-
(Increase)/decrease in debtors	25,000	(25,000)
Increase/(decrease) in creditors	(13,081)	68,567
<b>Net cash inflow from operating activities</b>	<b>975</b>	<b>127,926</b>

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

### 18 Returns on investments and servicing of finance

	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
Bank interest	104	68
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>104</b>	<b>68</b>

### 19 Capital income and expenditure

	6 months to 31 Aug 2013 £	12 months to 28 Feb 2013 £
Purchase of tangible fixed assets	-	-
Capital grants from DfE	-	-
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>-</b>	<b>-</b>

### 20 Analysis of changes in net funds

	At 1 March 2013 £	Cash flows £	At 31 August 2013 £
Cash in hand and at bank	127,994	1,079	129,073

### 21 Contingent liabilities

There were no contingent liabilities at the current and prior period ends.

### 22 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

### 23 Pension and similar obligations

During the period there were no employees in the trust and therefore no payments were made to any type of pension scheme.

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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### 24 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. Any such transactions are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

During the period the Trust took on consultancy services from Blackburn with Darwen Education Improvement Partnership Ltd (EIP), a company in which Mr D J Callaghan and Mr H Patel are directors and Ms S Roscoe is an employee, the total cost of the services was £71,718 (prior year: £41,870). Out of this £38,518 (28 February 2012: £16,870) was owed to EIP at the year end as a creditor. Blackburn with Darwen Education Improvement Partnership Ltd is also a member of Education Partnership Trust.