

Company Registration No. 07950891 (England and Wales)

EDUCATION PARTNERSHIP TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

EDUCATION PARTNERSHIP TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 15
Governance statement	16 - 20
Statement on regularity, propriety and compliance	21
Statement of Directors' responsibilities	22
Independent auditor's report on the accounts	23 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities including income and expenditure account	28
Balance sheet	29
Statement of cash flows	30
Notes to the accounts including accounting policies	31 - 52

EDUCATION PARTNERSHIP TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Ms A Hepplestone
Mrs J Hughes
Mr H Patel

Directors

Ms S Roscoe
Mrs A Allen
Mr L Green
Mr I Brown
Mr I M Kendrick
Mr M C Cartledge
Mr D N Sourbutts (Resigned 16 November 2020)
Mrs G C Carthy
Mr J Holden (Appointed 1 November 2019)

Senior management team

- Chief Executive Officer	Ms S Roscoe
- Chief Finance Officer	Mr J Georgy
- Human Resources Director	Ms C Howarth
- Headteacher (The Heights Free School)	Mr G Holding
- Headteacher (Eden School)	Ms J Ashworth
- Headteacher (Pleckgate High School)	Mr M Cocker
- Headteacher (Coal Clough Academy)	Mrs H Clarke
- Headteacher (The Heights Burnley)	Mrs S Berry
- Headteacher (Atherton High)	Mr B Layzell
- Headteacher (Burnley High)	Mr P Walmsley

Company secretary

Mrs E Elliott

Company registration number

07950891 (England and Wales)

Registered office

Education Partnership Trust
Pleckgate Road
Blackburn
BB1 8QA

Academies operated

The Heights Free School
Eden School
Pleckgate High School
Coal Clough Academy
The Heights Burnley
Atherton High
Burnley High

Location

Blackburn
Blackburn
Blackburn
Burnley
Burnley
Manchester
Burnley

Headteacher

Mr G Holding
Ms J Ashworth
Mr M Cocker
Mrs H Clarke
Mrs S Berry
Mr B Layzell
Mr P Walmsley

Independent auditor

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

EDUCATION PARTNERSHIP TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Forbes Solicitors
Ribchester House
Lancaster Road
Preston
PR1 2QL

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Directors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Within this year the Trust operated 7 schools (3 secondary school, 3 Alternative Provision including 1 Pupil Referral Unit and 1 special SEMH school across Blackburn with Darwen, Lancashire and the Greater Manchester area). These academies had a combined pupil admission number (PAN) of 2,870 and had a roll of 2,464 in the school census on May 2020.

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

Members' liability

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

Directors' indemnities

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

Method of recruitment and appointment or election of Directors

The Trust has a total of nine Directors as shown on Page 1 including the Chief Executive. Directors are appointed in accordance with the Articles of Association, they are appointed for four years and may be re-appointed. In selecting new Directors, the Trust seeks to identify people who are willing to commit their time and skills for the advancement of the purposes of Education Partnership Trust, adding value to the leadership of the Trust and ensuring good governance is secured.

Policies and procedures adopted for the induction and training of Directors

Following appointment all new Directors receive an introduction to their role from the Chair and Chief Executive. This introduction includes the opportunity for tours to school sites and meeting members of a school's Senior Leadership Team. The Trust's Governance Professional ensures new Directors receive sufficient support and information to enable them to discharge their role. All Directors are required to adhere to the Code of Conduct held by the Trust and complete the annual skills audit to identify any training needs.

Organisational structure

The Board of Directors holds a meeting at least every term and also the annual general meeting (AGM). The Board of Directors (BoD) ensures compliance with company and charity law and with the Trust's funding agreement with the Secretary of State.

The Directors are responsible for the general control and management of the Trust. The Directors give their time freely and receive no remuneration or other financial benefits, other than the Trust Chief Executive who also serves as a Director. The Directors act as the governors of the Education Partnership Trust and are also the Directors of the charitable company for the purposes of company law. The Directors meet at least termly and are responsible for all decisions taken in relation to the activities provided by EPT.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees have established an Audit & Finance Committee that meets at least termly to ensure the independent checking of financial controls, systems, transactions and risks. The Trust has delegated some decision making to additional Trustee committees and the local governing bodies of its schools. The Trust has a clear scheme of delegation regarding the delegation of these decisions; this also details the decisions that have been delegated to management to ensure the day to day operational capacity of the Trust. The Trust, as a Multi-Academy Trust, has a Central Office to support its academies in relation to their business support and academic standards. The Trust Chief Executive is the Accounting Officer.

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

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

Arrangements for setting pay and remuneration of key management personnel

The Trust has a Performance and Remuneration Committee that has responsibility for agreeing the pay of the Chief Executive as outlined in the Executive Pay Policy. Senior Leadership Team pay is set by reference to benchmarking and comparison of pay with other roles in the sector.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	5
Full-time equivalent employee number	4.44

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	4,568
Total pay bill	12,719,793
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	47%
---	-----

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Engagement with employees

There are a number of methods in which the Trust engages with its employees including but not exclusive to the following:

- Updating employees with matters that concern them through regular email communication, most recently being the Covid-19 pandemic. Bulletins are distributed twice weekly to ensure staff are fully briefed on any recent changes, developments and updates in relation to the educational setting.
- Hosting termly NJC meetings with all recognised trade unions to discuss matters that affect their members and staff at schools throughout the Trust. These meetings cover policy development, working conditions, pay and wellbeing of staff.
- The Trust has a training and development calendar available to all staff which covers many subjects ranging from challenging conversations to an emerging leaders programme that we now have 2 cohorts attending this year.
- The Trust provides an annual staff survey which gives everyone an opportunity to provide confidential feedback in order for us to continually improve. We review this information, supporting action plans, forums and sharing of good practice to ensure staff feel their voice has been listened to and is valued.
- The Trust has a monthly wellbeing calendar, to support health and attendance which may potentially affect (both directly and indirectly) the performance of the Trust.
- The Trust ensures that the best possible staff are recruited on the basis of their merits, abilities and suitability for the position.
- The Trust ensures recruitment advertising will encourage applications from all sectors of the community reflecting the Trust's commitment to equality and diversity.

The Trust, in line with the Equality Act, recruits staff in a way that eliminates discrimination against disabled people at all levels, i.e. by ensuring reasonable adjustments are made if the candidate asks for disability support, minimum of two people shortlisting applications to select candidates for interviews, minimum of 2 people interviewing (usually panels are 3 or more), tests can be disability friendly (dependent upon the applicant need). After appointing a successful candidate, the Trust gives consideration to the need for equipment and modifications and makes sure these are in place within the workplace. It is ensured that all staff have equal access to induction, personal and career development opportunities, and facilities.

Engagement with suppliers, customers and others in a business relationship with the Trust

As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Related parties and other connected charities and organisations

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

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

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

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

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

The Heights Blackburn

The Heights opened in 2013 as a key stage 2 to key stage 4 alternate provision school. There are over 120 pupils on roll, the vast majority are boys. The Heights was judged as good by Ofsted in November 2018, it's second consecutive good judgement.

Eden School

Eden is a special SEMH School which opened in September 2014 to provide special school provision for pupils with social, emotional and mental health needs age 7-16. Eden has the capacity for 60 pupils and has 42 pupils on roll. Pupils arrive at different starting points in terms of academic and social and emotional development at Eden school.

Coal Clough Academy

Coal Clough Pupil Referral Unit converted to academy status in September 2015 sponsored by the EPT. Coal Clough Academy is a 140 place Pupil Referral Unit and Alternative Provision School that provides education for young people in Burnley and the surrounding areas. The vast majority of pupils have been permanently excluded from their mainstream school. Approximately one quarter of the school population are identified as at risk of exclusion or their medical needs prevent them from accessing mainstream education.

Pleckgate High School

Pleckgate High School converted to academy status in February 2016 sponsored by the EPT. The school is a large, multi-cultural secondary school situated on the northern outskirts of Blackburn with Darwen.

The Heights Burnley

The Heights, Burnley opened as a new alternative provision Free School in September 2019. This is a key stage 2 to key stage 4 alternate provision school with the capacity for 150 pupils.

Atherton High School

Atherton High School transferred to EPT in April 2020 as a rebrokerage. This is a small secondary school situated in Atherton, Wigan.

Burnley High School

Burnley High School transferred to EPT in April 2020 as a rebrokerage. This is a small secondary school situated in Burnley.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, strategies and activities

The vision of the Education Partnership Trust (EPT) is to create outstanding schools which transform learning, lives and communities and the Board expects a high performing Multi-Academy Trust that delivers the very best educational experience for pupils with an ethos of collaboration and excellence.

The strategic aims will help to achieve the vision and are underpinned by the core values:

- High Expectations – of ourselves, our pupils and our school community
- Commitment – we are dedicated to raising standards and improving outcomes
- Ambition – we constantly strive to improve by setting ourselves challenging goals

The main aims of the Trust for the year were:

- All academies to be well-led and governed:
- Coaching programme for Headteachers and Executive Team
- Development of Trust leadership programme
- All Heads to have completed or be working towards NPQH/NPQEL
- Review of governance and the implementation of a more robust and streamlined process including the induction
- Headteacher collaborative working to improve outcomes

To achieve sustainable growth whilst remaining financially secure:

- To increase the number of schools in the Trust including a mainstream secondary school
- To develop its leaders and succession planning to ensure capacity to deliver
- Trust leads in key areas – safeguarding, data
- To raise the profile of the Trust through marketing and communication
- To develop reputation with key stakeholders, locally, regionally and nationally including the DfE and RSC
- To secure a positive annual MAT review

Public benefit

In setting the objectives, and planning the activities, they have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education. The key public benefit delivered by EPT is the development of high quality education provided within its schools, to the public benefit of all children local to these schools.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

The following were achieved by August 2020:

- The Heights Burnley opened as an alternative provision Free School in September 2019.
- Two new secondary schools Atherton High and Burnley High joined the EPT in April 2020 following a re-brokerage from Chapel Street MAT.
- The standard of careers provision continues to improve. The Heights Blackburn achieved the Gatsby Award, after achieving all eight of the Gatsby Benchmarks.
- The Safeguarding practice across the Trust continues to develop with annual safeguarding audits undertaken by the Trust Safeguarding Lead and regular meetings with school Designated Safeguarding Leads to share good practice, ensure compliance with the latest legislation and guidance and provide supervision. Pupils across Trust schools attended a join e-safety training session. Risks identified from the annual audits are reported to the Board and Local Governing Body for action.
- Further recruitment in line with the phased staffing plan took place across teams during the year to ensure EPT Central remains able to provide effective support to the growing number of schools. The staffing plan is kept under regular review by the Board. The Trust's policies and procedures were embedded across all teams in EPT Central Team and effective briefing, supervision and performance management arrangements were put in place.
- A governance professional was appointed in July 2020 and provides governance support and the clerking service to our Local Governing Bodies further enhancing support from the central team to enable schools to focus upon the delivery of education.
- The new governor induction programme was rolled out to our new governors and governor recruitment has been successful with new governors joining our new schools and existing ones.
- The second annual employee engagement survey was undertaken with action plans for key areas of development.
- The EPT introduced its 'Emerging Leaders' leadership programme for aspiring leaders across the Trust. This programme includes individual coaching sessions for delegates by an external coach.
- The EPT commissioned a mental health and wellbeing session for all Trust employees – this was delivered remotely.
- A Trust data lead was appointed and data dashboards are produced for the board.
- A marketing and re-branding strategy was implemented across the Trust and its schools.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

COVID 19

The Covid -19 pandemic was unprecedented. The amount of guidance that school leaders have had to read and implement was, and still is, extensive. The impact of this has been significant in terms of the additional pressure placed on the Trust and schools. All our schools have responded with great resilience. The Trust appointed a lead from the executive team to provide ongoing support and guidance to our schools on an individual basis. This ensured that key messages including the latest guidance were shared in a timely manner with schools.

Three phases of the pandemic:

In the first phase schools went into a system of providing education at the school just for key workers and vulnerable students with our special schools remaining fully open throughout the pandemic. Schools were supported by the Trust to ensure they had sufficient supplies of PPE. All other students, well over 90%, were educated remotely, either through traditional methods or digitally. We recognise the commitment and dedication of our senior leaders in responding to this first phase to the crisis.

In the second phase, in our secondaries Year 10 attended with a quarter of a year group at a time. At all times, our key worker and vulnerable children were given the opportunity to remain in school. In addition 'Remote Education' continued for all the other Year Groups.

In the third phase of Covid -19, schools planned for the full re-opening. All senior leaders, with the support from the executive team, implemented the new procedures with integrity and positivity in all our schools.

The crisis has required regular updating of Risk Assessments, detailed reading of Governmental updates and new routines and procedures in school, including:-

- Social distancing and the use of bubbles
- Enhanced cleaning
- Increased use of sanitisers and hand washing
- Staggered starts
- PPE supplies
- Safety signage and COVID reminders
- People specific risk assessments for those employees that are classed as vulnerable or clinically extremely vulnerable
- Infection and Prevention Awareness training for Front Line Staff
- A multitude of other adaptations to the 'New Normal'

The Trust worked closely with the LA and the Department for Education and adopted Blackburn with Darwen LA's Risk Assessment for all it's schools to ensure consistency of approach.

The Trust and it's schools have incurred significant costs relating to the pandemic and have requested financial support from DfE towards this. Clarity is still being sought in terms of the examination process and Ofsted.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2019/20 Results

In 2020, GCSE grades were awarded through centre assessed grades due to the national lockdown for Covid-19 with no published Progress 8 data.

Heights Blackburn

The Heights Blackburn is one of the top performing alternative provision schools in the country compared to the national average for performance with 161 pupils on roll. It has secured increased EFSA funding for 140 place provision. Progress for Y11 pupils in English & Maths remains very strong with the highest number of pupils achieving GCSEs at grade 9-4 qualifications in both subjects and a 35% increase in the overall number of pupils gaining GCSE qualifications. English Literature GCSEs awarded for the first time. KS2 attendance is 96.6% which is higher than mainstream settings. At KS4, 57% of pupils demonstrated an improvement in their attendance. The Heights achieved all the Gatsby Careers Benchmarks. 95.2% of of Year 11 leavers progressed into education, employment and training (EET).

Eden School

Eden is a SEMH special school in Blackburn with 41 pupils on roll currently. The last Ofsted inspection was in November 2019 with Behaviour, Personal Development and Leadership judged as good, but the Quality of Education was judged as requires improvement. The school has since made significant improvements in this area with SLE support in core subjects and quality assured curriculum plans and schemes of work. The school have appointed a Reading Lead and PSHE lead and has a qualified teacher teaching PE. Behaviour continues to be good or better and the careers provision is of a high standard and the programme covers all key stages. Key Stage 4 have the opportunity to complete work placements and this led to a student continuing in employment following work placement. 100% of Year 11 leavers progressed into education, employment and training (EET).

Coal Clough Academy

Coal Clough Academy is a secondary pupil referral unit/alternative provision. 22% of students achieved a GCSE grade 9-5 in English and Maths compared to 1.5% national average for APs and PRUs and 47% of students achieved a GCSE grade 9-4 in English and Maths compared to 4.3% national average for APs and PRUs. 100% of students achieved GCSE grades 9-1 in English and Maths compared to national averages of 80.4% for English and 77.9% for Maths. Attainment is high compared to the national average for English and Mathematics GCSE attainment in Alternative Provision which is 4%. Exceptional attainment was seen in English, Mathematics and Science this year with 2 Grade 7's and 5 Grade 6's. One student was entered for Triple Science; and achieved exceptional grades of a Grade 6 in all 3 subjects. In Vocational qualifications there has been a 100% pass rate in all 7 subjects, 69% of Year 11 leavers into education, employment and training (EET) with 4% starting an A Level course.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Pleckgate High School

Pleckgate High School is an outstanding secondary education provider. Admissions to Pleckgate have risen for the fifth year, with the year 7 September 2020 cohort now over the published admission number of 270 students, demonstrating sustained community confidence in the quality of education at the school.

Progress 8: indicative data from a range of external comparison tools suggests that the progress at Pleckgate was once again above national average.

Attainment 8 score: 47.4

41% of students entering the English Baccalaureate

23% of students achieving the English Baccalaureate

83% of students achieved at least a grade 4 in English and 80% of students achieved at least a grade 4 in mathematics

76% of students achieved a grade 4 in both English and mathematics

66% of students achieved at least a grade 5 in English and 59% of students achieved at least a grade 5 in mathematics

50% of students achieved a grade 5 in both English and mathematics

32% of students achieved at least a grade 7 in mathematics with 21 students attaining the very highest grade 9 score

94% of Year 11 leavers progressed into education, employment and training (EET).

The Heights, Burnley

The Heights Burnley successfully opened in September 2019 as an alternative provision school for 5 to 16 year olds. Students are referred from over twenty three mainstream schools. Attendance of 76.8% is significantly above the national average for alternative provision schools. Students in the Nurture Provision made at least good progress against Boxall Criteria for nurture provision. Students made good progress in reading, spelling and mathematics in relation to their baseline. There were no year 11 students last year. 21 pupils were successfully reintegrated into their mainstream schools. 8 pupils were previously non-attenders at their mainstream schools and are now attending school regularly.

Atherton High School

Atherton High School (formerly Atherton Community School) transferred to EPT in April 2020 following a re-brokerage. The school was judged as requires improvement in February 2020 and historically, attainment and progress at AHS has been well below average with P8 ranging from -0.9 to -1 and A8 ranging in the low 30's. The school is smaller than average with previous cohorts of between 50-70 pupils. Admissions have increased significantly and currently the school is over subscribed. The school is representative of the community it serves with 95% of the cohort being White British. The disadvantaged cohort is significantly above national average. There are below average levels of KS2 attainment on entry and have higher than national averages for pupils with SEND support and EHCPs. The results for 2020 demonstrate the improving performance with improved attainment in all subjects in comparison to internal 2019 data; with the greatest improvements seen in English, Modern Foreign Languages and Science.

2020 Year 11 cohort (71 pupils) achieved:

- A8 42 points, an increase of 6 points in comparison to 2019.
- 5+ in English and Mathematics 44%, an increase of 27% in comparison to 2019.
- 4+ in English and Mathematics 64%, an increase of 15% in comparison to 2019.
- 56% of pupils were entered for the Ebacc, in line with 2019 entries.
- 60% of those entered achieving a standard Ebacc pass, an increase of 47% in comparison to 2019.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Burnley High School

The school transferred across to EPT in April 2020 following a re-brokerage. The 2020 year 11 cohort were well below average levels of (KS2) attainment on entry to Burnley High School and have achieved above previous years national average performance measures. The proportion of pupils achieving a grade 4 and above in English and Mathematics combined was 75%. The percentage of pupils achieving a grade 5+ in English and Maths was 53.6%. The overall progress 8 score of +0.46 has remained positive for the second year running, representing good progress overall from pupils for every GCSE year group. Progress in Mathematics is well above average at +0.61, progress for English is +0.14 and EBacc subjects is +0.1, this is due to improvements in teaching secured by a robust and supportive approach to quality assurance. There has been an increase in the proportion of students entered for EBacc (25%) with an EBacc APS of 4.19. The school's focus is to ensure the curriculum offered to pupils is broad, balanced and builds engaged, confident learners. Admissions to Burnley High School have risen for the 6th year, with the school being oversubscribed since opening.

Going concern

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

Protecting the success of the Trust

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the trust to achieve its charitable purposes and for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Trust are appropriately informed by s172 factors.

Financial review

The Trust's total income during the year was £38,749,729 (2019: £19,464,179). Total income includes £20,714,203 (2019: £5,667,317) representing assets donated or inherited.

Total outgoing resources for the year were £18,685,279 (2019: £14,054,640). The excess of income over expenditure was £20,064,450 (2019: £5,409,539)

At the year end the Trust's total reserves were £41,935,692 (2019: £23,892,242) of which, £491,000 (2019: £691,000) was unrestricted, £2,019,290 (2019: £767,518) was general restricted funds, £9,243,000 (2019: £5,656,000) was the deficit on the restricted pension fund and £48,668,402 (2019: £28,089,724) 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.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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;
- Potential redundancy payments to staff; and
- Anticipated increases in cost of living and pension contributions.

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

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

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

Investment policy

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

Principal risks and uncertainties

For the period covering these financial statements, the Local Governing Body (LGB) and the Headteachers were responsible for identifying risks faced by the Trust and its schools. With the support of the Headteachers and the Trust Finance Director, 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, including the impact of COVID-19 and is satisfied that the systems and procedures are in place to mitigate its exposure to the major risks. Risk management has been further strengthened by the Risk Assessment Policy and Risk Register. There is also uncertainty regarding the extent to which teachers' pay increases and increases to the TPS contribution rates will be funded, and for how long.

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

Financial and risk management objectives and policies

Fundraising

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

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

Energy consumption

Aggregate of energy consumption in the year kWh
3,148,143

Emissions of CO2 equivalent

	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	356.36	
- Fuel consumed for owned transport	-	
		356.36
Scope 2 - indirect emissions		
- Electricity purchased		252.40
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Trust		24.08

Total gross emissions 632.84

Intensity ratio

Tonnes CO2e per pupil 0.33

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across most sites and will be ensuring smart metres are installed in those sites where they are not. Energy savings measures, such as turning lights off in rooms not being used and turning computer equipment off at the end of the day are being encouraged.

We have reviewed the provision of outdoor education and external provision which will have an effect on the need for travel. We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

Plans for future periods

EPT will seek to achieve sustainable growth as a Multi-Academy Trust and approved academy sponsor working with communities across the country within three geographical clusters (Lancashire, Blackburn with Darwen and Greater Manchester) and manage sponsor-led academies. Within these schools the Trust will work to ensure the high performance of its pupils and that the schools meet the needs of those communities. In delivering these plans EPT sponsored two new secondary schools in April 2020 Atherton High School and Burnley High School.

Funds held as custodian trustee on behalf of others

The Trust does not hold any funds as custodian Trustee.

EDUCATION PARTNERSHIP TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Auditor

In so far as the Directors are aware:

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

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

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 22/01/2021..... and signed on its behalf by:

Ian Brown

.....
Mr I Brown

EDUCATION PARTNERSHIP TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 5 times during the year. Sub committees have been set up that meet separately in order to maintain effective oversight of funds. Attendance during the year at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
Ms S Roscoe	5	5
Mrs A Allen	1	5
Mr L Green	3	5
Mr I Brown	5	5
Mr I M Kendrick	5	5
Mr M C Cartledge	2	5
Mr D N Sourbutts (Resigned 16 November 2020)	4	5
Mrs G C Carthy	3	5
Mr J Holden (Appointed 1 November 2019)	3	4

The Board undertakes an annual review of progress against the strategic priorities and its own effectiveness comprising an assessment of its performance against aims and objectives. The Board receives timely data in advance of its meetings to enable it to scrutinise and assess the performance of the Trust and its academies. These reports have been adapted to reflect the requirements of the Directors in terms of reporting on standards and the financial position.

The Board of Directors have established a sub-committee of the Trust Board known as the Audit and Finance Committee. The Directors recognise the overriding principles of the Academies Financial Handbook and that the Committee should be established in such a way as to fulfil the Trust's responsibility to ensure financial scrutiny and probity. The Committee provides a process for independent checking of financial controls, systems, transactions and risks. The Audit and Finance Committee has formally met 3 times during the year.

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
Ms S Roscoe	3	3
Mr D N Sourbutts (Resigned 16 November 2020)	1	3
Mrs G C Carthy	3	3

EDUCATION PARTNERSHIP TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

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

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

- Improving educational standards

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

- Robust governance and oversight of finances

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

Cofie Limited have been commissioned as the Internal Auditors for the Trust with 5 internal audits carried out during 2019-20. The internal audit reports highlighted the good practices in place at the schools as well as a number of recommendations which have/are being actioned at both the school and Trust level. The internal audit reports are presented to the Audit & Finance Committee.

The Trust has set up internal Resources Committees where in-house experts scrutinise both financial and non-financial information affecting schools' resources. Although Local Governing Bodies still receive detailed financial information for their termly meetings, the Resources Committee provides the necessary assurance that the budgets have been thoroughly scrutinised. Local Governing Bodies are still required to approve the budget plan annually. They are mindful of the Trust's Reserves Policy and the need to balance expenditure against income to ensure the sustainability of their respective schools and to ensure the Trust remains a 'going concern'.

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

The Finance Director reviews budget monitoring reports monthly, considering expenditure against each budget and addresses any significant variances against budget.

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

- Better purchasing

The Trust continually focuses on value for money and making cost savings where possible. During the year, it has achieved savings in a number of areas by obtaining single supplier contracts through competitive tender, utilising the economies of scale. Examples of this are payroll services, internal audit, health and safety, subscriptions and reprographics.

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

EDUCATION PARTNERSHIP TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

A review of staff absence has resulted in procuring absence insurance for part of the Trust which should reduce staff supply costs.

Integrated Curriculum-Led Financial Planning

The Trust has started to use integrated-curriculum led financial planning to plan and budget for staff in the current year as well as plan for future years. This has led to work being done to reduce the curriculum bonus and increase teacher/pupil contact time to generate cost savings/efficiencies.

Investment in Central Staffing

Since the Trust became a 7 school Trust, investment has been made in areas covering Governance and Finance, as well as School Improvement and ICT from September 2020. The aim of this investment is to develop further the areas mentioned above, allowing schools to focus their time and budgets on improving educational standards.

Income generation

The Trust submitted successful Business Cases to the DfE for additional funding when Atherton High School and Burnley High School joined the Trust.

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

Securing CIF funding to make good or improve school buildings has been successful and the Trust will continue to submit bids to secure further funding in 2020-21.

Areas to be developed in 2020-21

The Trust Finance Director will be tasked to identify further areas where there may be opportunities for cost savings for the Trust and schools.

Service level agreements and contracts are under review to continually look at best value and efficiency savings.

The Trust will develop its treasury management to ensure interest returns are maximised.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Directors.

EDUCATION PARTNERSHIP TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The risk and control framework

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

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

The Board of Directors has decided to commission Cofie Limited as internal auditor.

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

- testing of payroll systems and authorisation;
- testing of income completeness and classification;
- a review of sales and purchases systems, including tendering;
- testing of control account and bank reconciliations;
- a review of the system, including system controls and segregation of duties; and
- a review of policies and procedures including conflicts of interests

During the year a report was made to the Board of Directors (through the Audit and Finance Committee) on the operation of the systems of control and the recommendations are being implemented. Summary reports are provided to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

The internal auditor delivered its schedule of work as planned, although there were some slight changes to allow for the testing to be completed remotely due to Covid-19. There were no material control issues arising as a result of the internal audit work undertaken.

Review of effectiveness

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

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

EDUCATION PARTNERSHIP TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

Approved by order of the Board of Directors on ^{22/01/2021}..... and signed on its behalf by:

S Roscoe

Ms S Roscoe

Ilan Brown

Mr I Brown

EDUCATION PARTNERSHIP TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

As Accounting Officer of Education Partnership Trust, I have considered my responsibility to notify the Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Trust's Board of 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 agreement and the Academies Financial Handbook 2019.

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

S Roscoe

Ms S Roscoe
Accounting Officer

22/01/2021
.....

EDUCATION PARTNERSHIP TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Directors (who also act as trustees for Education Partnership Trust) are responsible for preparing the Directors' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Directors on and signed on its behalf by:
22/01/2021

Ian Brown

Mr I Brown

EDUCATION PARTNERSHIP TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDUCATION PARTNERSHIP TRUST FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Education Partnership Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes Reference and Administrative details, Directors Report incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Directors Responsibility Statement. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

EDUCATION PARTNERSHIP TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the accounts

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

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

EDUCATION PARTNERSHIP TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Richard House
9 Winckley Square
Preston
PR1 3HP

22/01/2021
.....

EDUCATION PARTNERSHIP TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EDUCATION PARTNERSHIP TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 7 February 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Education Partnership Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Education Partnership Trust's funding agreement with the Secretary of State for Education dated 16 October 2013 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

EDUCATION PARTNERSHIP TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Moore and Smalley

Reporting Accountant MHA Moore and Smalley

Richard House
9 Winckley Square
Preston
PR1 3HP

22/01/2021
.....

EDUCATION PARTNERSHIP TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2020	Total 2019
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	-	2,375	453,022	455,397	6,052,993
Donations - transfer from local authority on conversion	26	-	(145,000)	-	(145,000)	-
Donations - transfer of existing academy into the trust	26	-	(661,000)	20,714,203	20,053,203	-
Charitable activities:						
- Funding for educational operations	4	1,820,939	16,561,201	-	18,382,140	13,393,090
Other trading activities	5	3,221	-	-	3,221	17,110
Investments	6	768	-	-	768	986
Total income and endowments		<u>1,824,928</u>	<u>15,757,576</u>	<u>21,167,225</u>	<u>38,749,729</u>	<u>19,464,179</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	1,824,928	15,789,188	1,071,163	18,685,279	14,054,640
Total expenditure	7	<u>1,824,928</u>	<u>15,789,188</u>	<u>1,071,163</u>	<u>18,685,279</u>	<u>14,054,640</u>
Net (expenditure)/income		-	(31,612)	20,096,062	20,064,450	5,409,539
Transfers between funds		(200,000)	(282,616)	482,616	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	19	-	(2,021,000)	-	(2,021,000)	(1,635,000)
Net movement in funds		<u>(200,000)</u>	<u>(2,335,228)</u>	<u>20,578,678</u>	<u>18,043,450</u>	<u>3,774,539</u>
Reconciliation of funds						
Total funds brought forward		691,000	(4,888,482)	28,089,724	23,892,242	20,117,703
Total funds carried forward	17	<u>491,000</u>	<u>(7,223,710)</u>	<u>48,668,402</u>	<u>41,935,692</u>	<u>23,892,242</u>

EDUCATION PARTNERSHIP TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	48,276,481		27,948,330	
Current assets					
Debtors	14	1,470,420		929,883	
Cash at bank and in hand		3,272,940		1,756,533	
		<u>4,743,360</u>		<u>2,686,416</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,841,149)		(1,086,504)	
Net current assets			2,902,211		1,599,912
Net assets excluding pension liability			<u>51,178,692</u>		<u>29,548,242</u>
Defined benefit pension scheme liability	19	(9,243,000)		(5,656,000)	
Total net assets			<u>41,935,692</u>		<u>23,892,242</u>
Funds of the Trust:					
Restricted funds	17				
- Fixed asset funds		48,668,402		28,089,724	
- Restricted income funds		2,019,290		767,518	
- Pension reserve		(9,243,000)		(5,656,000)	
Total restricted funds			<u>41,444,692</u>		<u>23,201,242</u>
Unrestricted income funds	17		491,000		691,000
Total funds			<u>41,935,692</u>		<u>23,892,242</u>

The accounts on pages 28 to 52 were approved by the Directors and authorised for issue on 22/01/2021
and are signed on their behalf by:

Ian Brown

Mr I Brown

Company Number 07950891

EDUCATION PARTNERSHIP TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	20		1,747,728		753,452
Cash flows from investing activities					
Dividends, interest and rents from investments		768		986	
Capital grants from DfE Group		453,022		382,131	
Purchase of tangible fixed assets		(685,111)		(1,230,884)	
Net cash used in investing activities			(231,321)		(847,767)
Net increase/(decrease) in cash and cash equivalents in the reporting period			1,516,407		(94,315)
Cash and cash equivalents at beginning of the year			1,756,533		1,850,848
Cash and cash equivalents at end of the year			3,272,940		1,756,533

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Conversion to an academy trust

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

1.4 Income

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

Grants

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

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

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

Sponsorship income

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

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

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

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

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

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

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

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.10 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.

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

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

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would affect the carrying amount of the pension liability.

Useful economic life of tangible fixed assets

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

Impairment of fixed assets

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

Critical areas of judgement

Classification and valuation of long leasehold land and buildings

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

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

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donated fixed assets	-	-	-	5,667,317
Capital grants	-	453,022	453,022	382,131
Other donations	-	2,375	2,375	3,545
	-	455,397	455,397	6,052,993

The income from donations and capital grants was £455,397 (2019: £6,052,993) of which £2,375 was restricted (2019: £3,545) and £453,022 was restricted fixed assets (2019: £6,049,448).

4 Funding for the Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	12,888,939	12,888,939	9,390,053
Start up grants	-	175,000	175,000	-
Other DfE / ESFA grants	-	1,651,266	1,651,266	790,801
	-	14,715,205	14,715,205	10,180,854
Other government grants				
Local authority grants	-	1,832,755	1,832,755	1,656,217
Other funds				
Other incoming resources	1,820,939	13,241	1,834,180	1,556,019
Total funding	1,820,939	16,561,201	18,382,140	13,393,090

The income from funding for educational operations was £18,382,140 (2019: £13,393,090) of which £1,820,939 was unrestricted (2019: £1,532,917) and £16,561,201 was restricted (2019: £11,860,173).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	3,221	-	3,221	17,110

The income from other trading activities was £3,221 (2019: £17,110) of which £3,221 was unrestricted (2019: £17,110).

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	768	-	768	986

The income from funding for investment income was £768 (2019: £986) of which £768 was unrestricted (2019: £986).

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	11,161,395	179,211	1,179,967	12,520,573	9,124,448
- Allocated support costs	2,936,365	2,751,751	476,590	6,164,706	4,930,192
	14,097,760	2,930,962	1,656,557	18,685,279	14,054,640

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	19,500	13,750
- Other services	7,450	5,575
Operating lease rentals	74,927	74,704
Depreciation of tangible fixed assets	1,071,163	623,526
Net interest on defined benefit pension liability	105,000	88,000

8 Central services

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

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

The Trust charges for these services on the basis of 5% of GAG income.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2020 £	2019 £
The Heights Free School	97,620	90,543
Eden School	37,043	37,218
Pleckgate High School	285,158	316,178
Coal Clough Academy	153,000	140,540
The Heights Burnley	50,000	-
Atherton High	61,816	-
Burnley High	69,471	-
	<u>754,108</u>	<u>584,479</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	1,645,793	10,874,780	12,520,573	9,124,448
Support costs				
Educational operations	179,135	5,985,571	6,164,706	4,930,192
	<u>1,824,928</u>	<u>16,860,351</u>	<u>18,685,279</u>	<u>14,054,640</u>

The expenditure on charitable activities was £18,685,279 (2019: £14,054,640) of which £1,824,928 was unrestricted (2019: £1,547,867), £15,789,188 was restricted (2019: £11,883,247) and £1,071,163 was restricted fixed assets (2019: £623,526).

	2020 £	2019 £
Analysis of support costs		
Support staff costs	2,936,365	2,308,985
Depreciation	891,952	487,493
Premises costs	1,814,771	1,466,497
Legal costs	50,519	37,854
Other support costs	440,508	609,618
Governance costs	30,591	19,745
	<u>6,164,706</u>	<u>4,930,192</u>

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	9,972,367	7,506,503
Social security costs	897,903	668,372
Pension costs	2,774,708	1,808,562
Staff costs - employees	13,644,978	9,983,437
Agency staff costs	393,258	244,654
Staff restructuring costs	59,524	13,126
Total staff expenditure	14,097,760	10,241,217

Staff restructuring costs comprise:

Severance payments	59,524	13,126
--------------------	--------	--------

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory severance payments totalling £59,524 (2019: £13,126). Individually, the payments were: £12,263, £2,000, £10,600, £17,082, £5,579 and £12,000.

Staff numbers

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

	2020 Number	2019 Number
Teachers	131	94
Administration and support	202	149
Management	24	22
	357	265

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

	2020 Number	2019 Number
Teachers	124	89
Administration and support	154	110
Management	24	22
	302	221

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

(Continued)

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	6	4
£70,001 - £80,000	4	3
£90,001 - £100,000	-	1
£100,001 - £110,000	2	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Trust was £880,187 (2019: £737,508).

11 Directors' remuneration and expenses

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

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

S Roscoe - Chief Executive Officer and Accounting Officer:

Remuneration - £105,001 - £110,000 (2019: £100,001 - £105,000)

Employers' pension contribution - £10,001 - £15,000 (2019: £10,001 - £15,000)

During the year travel and subsistence expenses totalling £nil were reimbursed to one Director (2019: £58).

12 Insurance for Directors and officers

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

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	28,986,603	961,317	514,598	32,645	30,495,163
Transfer on conversion	20,714,203	-	-	-	20,714,203
Additions	395,257	209,019	80,835	-	685,111
At 31 August 2020	50,096,063	1,170,336	595,433	32,645	51,894,477
Depreciation					
At 1 September 2019	1,806,088	507,860	200,240	32,645	2,546,833
Charge for the year	810,556	179,211	81,396	-	1,071,163
At 31 August 2020	2,616,644	687,071	281,636	32,645	3,617,996
Net book value					
At 31 August 2020	47,479,419	483,265	313,797	-	48,276,481
At 31 August 2019	27,180,515	453,457	314,358	-	27,948,330

The net book value of land and buildings comprises:

	2020 £	2019 £
Long leaseholds (over 50 years)	47,479,419	27,180,515

14 Debtors

	2020 £	2019 £
Trade debtors	267,996	142,590
VAT recoverable	278,455	157,772
Other debtors	90,466	-
Prepayments and accrued income	833,503	629,521
	1,470,420	929,883

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,001,618	651,185
Other taxation and social security	284,260	180,094
EFA creditors	163,083	101,490
Other creditors	292,920	63,564
Accruals and deferred income	99,268	90,171
	<u>1,841,149</u>	<u>1,086,504</u>

16 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	-	49,212
	<u>-</u>	<u>49,212</u>
Deferred income at 1 September 2019	49,212	-
Released from previous years	(49,212)	-
Resources deferred in the year	-	49,212
	<u>-</u>	<u>49,212</u>
Deferred income at 31 August 2020	<u>-</u>	<u>49,212</u>

Deferred income relates to Local authority funding received in advance for students requiring additional assistance for the following year.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	756,207	12,888,939	(11,343,240)	(282,616)	2,019,290
Start up grants	-	175,000	(175,000)	-	-
Other DfE / ESFA grants	-	1,651,266	(1,651,266)	-	-
Other government grants	-	1,832,755	(1,832,755)	-	-
Other restricted funds	11,311	15,616	(26,927)	-	-
Pension reserve	(5,656,000)	(806,000)	(760,000)	(2,021,000)	(9,243,000)
	<u>(4,888,482)</u>	<u>15,757,576</u>	<u>(15,789,188)</u>	<u>(2,303,616)</u>	<u>(7,223,710)</u>
Restricted fixed asset funds					
Inherited/Donated assets	21,221,444	20,714,203	(776,569)	-	41,159,078
DfE group capital grants	5,942,273	453,022	(153,988)	(90,508)	6,150,799
Capital expenditure from GAG	926,007	-	(140,606)	573,124	1,358,525
	<u>28,089,724</u>	<u>21,167,225</u>	<u>(1,071,163)</u>	<u>482,616</u>	<u>48,668,402</u>
Total restricted funds	<u>23,201,242</u>	<u>36,924,801</u>	<u>(16,860,351)</u>	<u>(1,821,000)</u>	<u>41,444,692</u>
Unrestricted funds					
General funds	<u>691,000</u>	<u>1,824,928</u>	<u>(1,824,928)</u>	<u>(200,000)</u>	<u>491,000</u>
Total funds	<u>23,892,242</u>	<u>38,749,729</u>	<u>(18,685,279)</u>	<u>(2,021,000)</u>	<u>41,935,692</u>

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

General Annual Grant must be used for the normal running expenses of the Schools and under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

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 from the 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 2020

17 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	529,065	9,390,053	(8,702,375)	(460,536)	756,207
Other DfE / ESFA grants	42,395	790,801	(833,196)	-	-
Other government grants	-	1,656,217	(1,656,217)	-	-
Other restricted funds	29,123	26,647	(44,459)	-	11,311
Pension reserve	(3,374,000)	-	(647,000)	(1,635,000)	(5,656,000)
	<u>(2,773,417)</u>	<u>11,863,718</u>	<u>(11,883,247)</u>	<u>(2,095,536)</u>	<u>(4,888,482)</u>
Restricted fixed asset funds					
Inherited/Donated assets	15,915,147	5,667,317	(361,020)	-	21,221,444
DfE group capital grants	5,832,344	382,131	(154,424)	(117,778)	5,942,273
Capital expenditure from GAG	455,775	-	(108,082)	578,314	926,007
	<u>22,203,266</u>	<u>6,049,448</u>	<u>(623,526)</u>	<u>460,536</u>	<u>28,089,724</u>
Total restricted funds	<u>19,429,849</u>	<u>17,913,166</u>	<u>(12,506,773)</u>	<u>(1,635,000)</u>	<u>23,201,242</u>
Unrestricted funds					
General funds	<u>687,854</u>	<u>1,551,013</u>	<u>(1,547,867)</u>	<u>-</u>	<u>691,000</u>
Total funds	<u>20,117,703</u>	<u>19,464,179</u>	<u>(14,054,640)</u>	<u>(1,635,000)</u>	<u>23,892,242</u>

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Total funds analysis by academy					
				2020 £	2019 £
Fund balances at 31 August 2020 were allocated as follows:					
The Heights Free School				531,418	287,728
Eden School				109,351	86,082
Pleckgate High School				249,799	455,114
Coal Clough Academy				495,407	587,067
The Heights Burnley				306,778	-
Atherton High				18,908	-
Burnley High				223,519	-
Central services				575,110	42,527
				<hr/>	<hr/>
Total before fixed assets fund and pension reserve				2,510,290	1,458,518
Restricted fixed asset fund				48,668,402	28,089,724
Pension reserve				(9,243,000)	(5,656,000)
				<hr/>	<hr/>
Total funds				41,935,692	23,892,242
				<hr/>	<hr/>

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
The Heights Free School	1,358,764	252,194	113,274	190,463	1,914,695	1,835,297
Eden School	724,023	93,601	75,228	134,936	1,027,788	933,698
Pleckgate High School	4,614,745	719,064	370,570	1,378,088	7,082,467	6,875,681
Coal Clough Academy	2,073,772	246,795	299,976	230,062	2,850,605	2,455,008
The Heights Burnley	861,557	149,924	43,963	93,641	1,149,085	-
Atherton High	776,403	162,796	63,806	71,299	1,074,304	-
Burnley High	750,941	103,128	76,008	90,365	1,020,442	-
Central services	1,190	1,184,863	137,142	147,535	1,470,730	1,377,840
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,161,395	2,912,365	1,179,967	2,336,389	17,590,116	13,477,524
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	48,276,481	48,276,481
Current assets	491,000	3,860,439	391,921	4,743,360
Creditors falling due within one year	-	(1,841,149)	-	(1,841,149)
Defined benefit pension liability	-	(9,243,000)	-	(9,243,000)
Total net assets	491,000	(7,223,710)	48,668,402	41,935,692

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	27,948,330	27,948,330
Current assets	704,836	1,840,186	141,394	2,686,416
Creditors falling due within one year	(13,836)	(1,072,668)	-	(1,086,504)
Defined benefit pension liability	-	(5,656,000)	-	(5,656,000)
Total net assets	691,000	(4,888,482)	28,089,724	23,892,242

19 Pension and similar obligations

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

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

Contributions amounting to £221,475 were payable to the schemes at 31 August 2020 (2019: £54,240) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,325,307 (2019: £693,304).

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

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

Local Government Pension Scheme

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

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

As described in note 26 the LGPS obligation relates to the employees of the Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Total contributions made	2020 £	2019 £
Employer's contributions	661,000	459,000
Employees' contributions	199,000	146,000
Total contributions	860,000	605,000
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment/inflation	2.3	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.3	2.1

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

	2020 Years	2019 Years
Retiring today		
- Males	21.7	22.8
- Females	24.4	25.5
Retiring in 20 years		
- Males	23.2	25.1
- Females	26.2	28.2

The following schedule provides an analysis of the sensitivity of results of the calculations to changes in the actuarial assumptions used:

	Approximate increase/(decrease) in pension deficit £
0.1% increase in discount rate	(378,000)
0.1% increase in CPI rate	381,000
0.1% increase in pay growth	50,000
1 year increase in mortality rate	424,000
0.1% increase in investment returns	(69,000)
0.1% decrease in investment returns	69,000

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

The Trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	3,471,000	2,317,000
Other bonds	567,000	78,000
Cash	183,000	87,000
Property	938,000	427,000
Other assets	2,091,000	1,939,000
Total market value of assets	7,250,000	4,848,000

The actual return on scheme assets was £472,000 (2019: £523,000).

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	1,237,000	684,000
Past service cost	6,000	323,000
Interest income	(105,000)	(113,000)
Interest cost	210,000	201,000
Benefit changes, curtailments and settlements gains or losses	37,000	(11,000)
Administration expenses	18,000	11,000
Total operating charge	1,403,000	1,095,000

Changes in the present value of defined benefit obligations	2020 £	2019 £
At 1 September 2019	10,504,000	7,129,000
Transferred in on existing academies joining the Trust	1,950,000	-
Current service cost	1,237,000	684,000
Interest cost	210,000	201,000
Employee contributions	199,000	146,000
Actuarial loss	2,388,000	2,045,000
Benefits paid	(56,000)	(24,000)
Past service cost	6,000	323,000
Effect of non-routine settlements and administration expenses	55,000	-
At 31 August 2020	16,493,000	10,504,000

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

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

	2020 £	2019 £
At 1 September 2019	4,848,000	3,755,000
Transferred in on existing academies joining the Trust	1,144,000	-
Interest income	105,000	113,000
Actuarial gain	367,000	410,000
Employer contributions	661,000	459,000
Employee contributions	199,000	146,000
Benefits paid	(56,000)	(24,000)
Administration expenses	(18,000)	(11,000)
At 31 August 2020	7,250,000	4,848,000

20 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	20,064,450	5,409,539
Adjusted for:		
Net deficit on conversion to academy	145,000	-
Net surplus on transfer of academy in the trust	(20,053,203)	-
Capital grants from DfE and other capital income	(453,022)	(6,049,448)
Investment income receivable	(768)	(986)
Defined benefit pension costs less contributions payable	655,000	559,000
Defined benefit pension scheme finance cost	105,000	88,000
Depreciation of tangible fixed assets	1,071,163	623,526
(Increase) in debtors	(540,537)	(37,812)
Increase in creditors	754,645	161,633
Net cash provided by operating activities	1,747,728	753,452

21 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	1,756,533	1,516,407	3,272,940

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Commitments under operating leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	1,126,656	1,057,300
Amounts due in two and five years	4,159,868	4,086,709
Amounts due after five years	11,159,622	12,163,323
	<u>16,446,146</u>	<u>17,307,332</u>

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

23 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	<u>391,921</u>	<u>141,394</u>

24 Related party transactions

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

There were no related party transaction during the year.

Related party transactions - prior year

D J Callaghan is the Headteacher at St Bede's RC High School (St Bede's) and was a Director until 15 March 2019. St Bede's were charged £74,004 for alternative provision services provided by the Trust and £265 for room hire. At the year end £18,600 was due from St Bede's.

J Hughes is an assistant principal at Blackburn College and was a Director until 11 January 2019. EPT paid £5,000 for her services.

25 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.

EDUCATION PARTNERSHIP TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

26 Conversion to an academy

On 1 September 2019 The Heights Burnley converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Education Partnership Trust from the Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
The Heights Burnley	Burnley	1 September 2019		
	Unrestricted funds	Restricted funds:		Total 2020
	£	General	Fixed asset	£
Net assets transferred:				
Pension scheme deficit	-	(145,000)	-	(145,000)
	Unrestricted funds	Restricted funds:		Total 2020
	£	General	Fixed asset	£
Funds surplus/(deficit) transferred:				
LGPS pension funds	-	(145,000)	-	(145,000)

27 Transfer of existing academies into the Trust

Atherton High School and Burnley High School

On 1 April 2020 Atherton High and Burnley High transferred from Chapel Street Community Schools Trust. Valuation of Land and buildings transferred in were £9,950,000 and £10,764,203 respectively, totalling £20,714,203, and the LGPS pension deficit transferred in were £453,000 and £208,000 respectively, totalling £661,000.

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Net assets acquired			
Leasehold land and buildings	14,912,872	5,801,331	20,714,203
Pension scheme	(661,000)	-	(661,000)
Total net assets	14,251,872	5,801,331	20,053,203