

Company registration number 07950891 (England and Wales)

# **EDUCATION PARTNERSHIP TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2023**

# EDUCATION PARTNERSHIP TRUST

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# EDUCATION PARTNERSHIP TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Ms A Hepplestone  
Mrs J Hughes  
Mr H Patel

### Directors

Ms S Roscoe  
Mr I Brown  
Mr I M Kendrick  
Mr M C Cartledge (Resigned 7 July 2023)  
Mr J Holden  
Mr G J Cowley (Resigned 14 August 2023)  
Mrs E Mulgrew  
Mr B Posthuma De Boer

### Senior management team

|   |  |
|---|--|
| - Chief Executive Officer               | Ms S Roscoe                                |
| - Chief Finance Officer                 | Mr J Georgy                                |
| - Human Resources Director              | Ms C Howarth                               |
| - Director of Education                 | Mr M Cocker                                |
| - Headteacher (The Heights Free School) | Mr G Holding                               |
| - Headteacher (Eden School)             | Ms J Ashworth                              |
| - Headteacher (Pleckgate High School)   | Mrs A McGinty (appointed 1 September 2022) |
| - Headteacher (Coal Clough Academy)     | Mrs H Clarke                               |
| - Headteacher (The Heights Burnley)     | Mrs S Berry (resigned 31 January 2023)     |
| - Headteacher (The Heights Burnley)     | Mrs N Lewis (appointed 1 February 2023)    |
| - Headteacher (Atherton High)           | Mr B Layzell                               |
| - Headteacher (Burnley High)            | Mrs E Starkey                              |

### Company secretary

Mrs W Bridson

### 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 N Lewis  
Mr B Layzell  
Mrs E Starkey

## EDUCATION PARTNERSHIP TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS

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|                            |   |
|----------------------------|---|
| <b>Independent auditor</b> | MHA Moore and Smalley<br>Richard House<br>9 Winckley Square<br>Preston<br>PR1 3HP |
|----------------------------|---|

|                   |   |
|-------------------|---|
| <b>Solicitors</b> | Forbes Solicitors<br>Ribchester House<br>Lancaster Road<br>Preston<br>PR1 2QL |
|-------------------|---|

# EDUCATION PARTNERSHIP TRUST

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2023

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The Directors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Within this year the Trust operated 7 schools (3 secondary schools, 3 Alternative Provision schools and 1 Special SEMH school across Blackburn with Darwen, Lancashire and Wigan). These academies had a combined pupil admission number (PAN) of 2,900 and had a roll of 2,848 in the school census on May 2023.

#### **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 ('EPT') 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 six 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 EPT 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 2023

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The Trustees have established an Audit, Risk & 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:

- Ensures clarity of vision, ethos and strategic direction.
- Holds the executive to account for the educational performance of the schools and their pupils, and the performance management of staff.
- 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 takes part annually in the pay benchmarking work with Employer Link who complete an analysis of all executive pay in Multi-Academy Trusts (MATs) when determining the Senior Leadership Team pay which is set by reference to benchmarking and comparison of pay with other roles in the sector. 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.

In addition to this, the Trust also follows the School Teachers Pay and Conditions Document (STPCD) which identifies the statutory requirements for teachers' pay and conditions. The determination of the leadership group pay is based on varying factors outlined in the STPCD. When determining an appropriate pay range, the Trust takes into account all of the permanent responsibilities of the role, any challenges that are specific to the role, and all other relevant considerations.

The Trust also ensures that there is appropriate scope within the range to allow for performance-related pay over time.

# EDUCATION PARTNERSHIP TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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   | 4.89 |

##### *Percentage of time spent on facility time*

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

##### *Percentage of pay bill spent on facility time*

|   |            |
|---|------------|
| Total cost of facility time                             | 3,070      |
| Total pay bill  | 19,775,986 |
| 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 | 52% |
|---|-----|

#### Engagement with employees

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

- The Trust has rolled out an extranet system across the Trust to improve communications across multiple sites. As this becomes embedded, it will provide further opportunity to improve collaboration and share best practices. It is also used for promoting well being initiatives, training, cpd events and benefits to EPT staff.
- We continue to host 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 is reviewed annually to ensure the content is fit for purpose and relevant. This year we are focussing on new to line management, the onboarding process and the employee life cycle.
- The Trust continues to refresh and revisit its annual employee survey which allows everyone an opportunity to provide confidential feedback in order for us to continually improve. The Trust reviews 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 employs a Health, Safety and Wellbeing Manager who promotes health, safety and wellbeing across the Trust. The Trust also have wellbeing champions in each school 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 through various media channels.
- The Trust ensures recruitment advertising will encourage applications from all sectors of the community reflecting the Trust's commitment to equality and diversity.

# EDUCATION PARTNERSHIP TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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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. Stakeholder conflicts are considered and where these exist decisions are made in line with supporting guidance. Conflicts of interests are taken into consideration and Trust procedure is to minimise the engagement of any related parties.

#### 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.

### **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")

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



# EDUCATION PARTNERSHIP TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Objectives, strategies and activities

To achieve our vision, our Strategic Plan identifies how we will:

- Deliver a high quality of education across the Trust and improve achievement for all pupils
- Ensure a financially viable and sustainable MAT
- Ensure robust governance and accountability
- Ensure a sustainable growth strategy
- Create a high performing culture, promoting values and behaviours that deliver excellence

The Five Pillars of quality and the Trust Quality Descriptors underpin the strategic objectives.

For the period covered by these financial statements the Trust operated seven academies; The Heights Blackburn, Eden School, Coal Clough Academy, 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 alternative provision school. During the year the school was commissioned for 150 pupils which was approximately the number of pupils on roll, the vast majority were boys. All pupils are dual rolled with their commissioning school.

#### 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 with 55 pupils currently on roll. The school is expected to reach capacity in 2023/24. Places are commissioned from Blackburn with Darwen Local Authority and Lancashire County Council. Pupils arrive at different starting points in terms of their academic and social and emotional development.

#### Coal Clough Academy

Coal Clough Pupil Referral Unit converted to academy status in September 2015 sponsored by the EPT. Coal Clough Academy is an Alternative Provision School that provides education for young people in Burnley and the surrounding areas. The school is commissioned by Lancashire County Council for 140 pupils which includes those permanently excluded from mainstream, new to area and medical.

#### 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 1 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 part of 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 part of a rebrokerage. This is a small to medium sized secondary school situated in Burnley.

#### Public benefit

In setting the objectives, and planning the activities, the Trustees 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 our children and local communities.

# EDUCATION PARTNERSHIP TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Strategic report

##### Achievements and performance

EPT has achieved the following in the 2022-23 academic year:

##### Educational

The EPT has continued to invest heavily in enhancing the curriculum across all trust schools to ensure it is high quality and having a positive, measurable impact on the educational outcomes of pupils. The trust's work to develop consistent approaches to curriculum planning includes high quality Curriculum Thinking training being delivered to school leaders and those new to the trust. Curriculum Thinking documentation has been aligned across all settings to ensure a common 'curriculum language' across all our academies.

There is regular and focussed internal and external quality assurance of the curriculum with subject specialist support for identified areas requiring improvement. School leaders across the Trust are developing assessment practice that is both planned and spontaneous, embedded into strong subject specific pedagogy and allows the teacher to gauge whether key component knowledge has been learned.

Collaboration across the trust schools continued to be developed across subjects and leadership priorities through the Quality Improvement Groups so there is increasingly impactful collaboration that supports the trust and school improvement priorities.

EPT's support for high quality SEND provision includes the accurate and effective SEND provision mapping across trust schools so they are able to map and manage provision effectively for the most vulnerable learners. This includes an SEND Quality Improvement Group and identified trust lead and peer reviews and/or NASEN external reviews. Existing expertise is utilised to meet the needs of schools at different stages of improvement.

Substantial progress has been made on the development of reading with a strategic plan that ensures accurate assessment and targeted intervention is in place for our weakest readers across all schools. All key staff across the trust have received phonics training along with developing additional expertise in supporting pupils' vocabulary, reading fluency and comprehension. Trust schools have also invested in 'reading for pleasure' through increasing their library stock and utilising packages that encourage reading, matching books to the reading ability of pupils. The implementation will be closely monitored at trust and school level.

Behaviour and Attitudes is good or outstanding in all EPT schools as evidenced by recent Ofsted inspections and quality assurance. Attendance remains a priority for the trust with an increasing number of pupils struggling with mental health and emotional wellbeing, possibly as a result of the anxiety caused by the pandemic and social isolation. The schools are proactively working with parents/carers and other agencies to provide the support needed to re-engage those pupils in learning. The majority of schools are members of the DfE Attendance Hubs and the trust continues to provide advice and support to schools in line with government guidance and responding to the needs of the communities we serve

Leadership & Management is good or outstanding in all EPT schools as evidenced by recent Ofsted inspections and quality assurance. Headteacher's are supported through regular line management, an executive quality improvement group and specialist school improvement support commissioned by the trust.

##### Key Performance Indicators - Secondary

Two EPT schools have received section 8 Ofsted inspections in the academic year 2022-23.

Pleckgate High School retained its outstanding judgement. The school received a strong report highlighting a wide range of strengths across several key areas, with two areas to improve before the next graded inspection. Indicative progress indicators demonstrate that the school has performed very well in the 2023 examinations and is expected to be above average. The school continues to be oversubscribed.

# EDUCATION PARTNERSHIP TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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Atherton High School continues as requires improvement following the previous section 5 inspection in October 2021 when three of the four judgement areas moved to good. The report acknowledged the progress made with only one area for development. The attendance of pupils last year saw a significant improvement and was above national comparators. Indicative progress indicators demonstrate Atherton has improved outcomes significantly once again and it is expected that the school will secure a good rating at the next section 5 inspection. Atherton continues to be oversubscribed and has been approached again by Wigan local authority to take significantly more pupils than its published admission numbers.

Burnley High School was inspected in March 2023, securing a Good overall judgement. Burnley High continues to be oversubscribed and is working with Lancashire local authority to admit pupils above its published admission numbers to meet demand.

#### Operational

EPT implemented the new intranet to improve communication across the trust and providing access to policies, procedures and resources including curriculum resources.

The appointment of a full time Director of Education, with substantial experience of transforming schools and up to date training and experience of inspecting secondary schools for Ofsted has ensured our capacity and capability for sustainable growth whilst providing bespoke school improvement support for our existing schools.

The wellbeing of all employees remains a priority for EPT and the annual trust employee engagement survey indicated increased engagement across trust schools in the majority of areas. Every school has a Wellbeing Champion who are supported by the trust Wellbeing Lead.

Continued trust investment in a range of employee benefits including the car benefit scheme, the cycle scheme and Simply Health. Uptake continued to increase with positive feedback from employees.

A trust wide intranet was implemented for all employees to improve communication, reduce workload by avoiding duplication and ensuring immediate access for all employees to the latest guidance, policies, training and curriculum resources.

The trust IT Strategy is being implemented with an effective IT infrastructure and support in place across all schools and any new trusts schools will be onboarding to ICT system seamlessly. ICT issues are being resolved remotely at all schools where possible with minimal downtime.

#### 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 stakeholders 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.

# EDUCATION PARTNERSHIP TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Financial review

The Trust's total income during the year was £28,476,403 (2022: £25,423,732).

Total outgoing resources for the year were £28,004,162 (2022: £25,012,992). The surplus of income over expenditure was £472,241 (2022: £407,740).

At the year end the Trust's total reserves were £53,353,998 (2022: £50,565,757) of which, £491,000 (2022: £491,000) was unrestricted, £6,032,298 (2022: £5,342,798) was general restricted funds, £nil (2022: £2,275,000) was the deficit on the restricted pension fund and £46,830,700 (2022: £47,006,959) was restricted fixed asset funds.

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

#### Reserves policy

The amount of reserves held are stated within the Finance Review above. The level of reserves held across the Trust is considered sufficient and in line with the Trust's reserves policy. As stated in the policy, the Trust needs to hold reserves for a number of reasons, examples of which are listed below:

- the risk of unforeseen emergency or other unexpected and unfunded increases in expenditure;
- variations in the levels and sources of income;
- planned commitments, or designations, that cannot be met by in-year income alone, for example plans for major construction work and/or ICT investments;
- the need to fund potential deficits in a cash budget, for example money may need to be spent before funding is received; and
- the full range of financial risks identified in the risk register.

The Board of Directors ensures that the Reserves Policy is in accordance with the requirements laid down in the Academies Handbook by the ESFA.

If Trusts have a substantial surplus, they must have a clear plan for how it will be used to benefit their pupils. It is the policy of the Trust to have reserves which can be used for future education purposes in line with the development plans. The Trust reviews reserve levels for each school on a regular basis and the Trust Reserves Policy is reviewed by the Audit, Risk & Finance Committee biannually.

During the year, as a whole, the Trust has achieved a financial position that is in line with its reserves policy. This policy states that each school should aim to produce a balanced budget as long as accumulated reserves remained above the de-minimis which has been set at the higher of £250,000 or 5% of total annual income. There are some long-term school development plans in place to utilise some of the reserves to develop and improve the schools.

# EDUCATION PARTNERSHIP TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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 has reviewed the market to understand what level of returns are available and has implemented a Treasury Management Policy.

The Trust has adopted a low-risk strategy to investment. As at 31 August 2023 the Trust was holding excess cash reserves of £5m (2022: £nil) across 4 different deposit accounts which vary from instant access through to 9 month fixed term deposit accounts to maximise the return on these reserves.

The management of these accounts is done by the Trust's central finance team and reviewed by the Audit, Risk & Finance Committee. The Trust has no other investment.

The Trust's central finance team will continue to review this strategy with a view to ensuring the optimal amount of returns are generated through low-risk investment.

#### Principal risks and uncertainties

For the period covering these financial statements, the Directors, Central Team, Local Governing Bodies (LGBs) and 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 ensuring safe and well-maintained estates, and its finances, including the impact of a pandemic 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. Cyber risk is significant with increased attacks on the education sector. The Trust is addressing this risk by putting in place training and systems to prevent the likelihood of a severe cyber attack.

#### Financial and risk management objectives and policies

The internal financial systems are based on the Academies Handbook and are documented in the EPT Financial Handbook & Scheme of Delegation. 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.

#### **Fundraising**

The Trust has no outlined approach to fundraising. The Trust does not use any external fundraisers. Any fundraising activities are monitored by the Trust.

#### **Streamlined energy and carbon reporting**

|   | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| <i>Energy consumption</i>                   | <b>kWh</b>  | <b>kWh</b>  |
| Aggregate of energy consumption in the year | 3,420,711   | 3,487,221   |

# EDUCATION PARTNERSHIP TRUST

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

|  | 2023<br>metric<br>tonnes | 2022<br>metric<br>tonnes |
|--|--------------------------|--------------------------|
| <i>Emissions of CO2 equivalent</i>                   |                          |                          |
| Scope 1 - direct emissions                           |                          |                          |
| - Gas combustion                                     | 286.56                   | 318.20                   |
| - Fuel consumed for owned transport                  | -                        | -                        |
|  | 286.56                   | 318.20                   |
| Scope 2 - indirect emissions                         |                          |                          |
| - Electricity purchased                              | 343.50                   | 300.03                   |
| Scope 3 - other indirect emissions                   |                          |                          |
| - Fuel consumed for transport not owned by the Trust | 46.68                    | 46.40                    |
|  | 676.74                   | 664.63                   |
| <i>Intensity ratio</i>                               |                          |                          |
| Tonnes CO2e per pupil                                | 0.24                     | 0.24                     |

#### *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 2023 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*

Smart meters are installed at most sites and smart meters will be installed in those sites where they are not.

Energy saving behaviours, such as turning lights off in rooms not being used, turning computer equipment off and not leaving laptops on charge throughout the day are being encouraged. Heating is also being limited where possible to address CO2 usage as well as the high utility rates.

Following on from the pandemic, the Trust have continued to utilise video conferencing technology for staff meetings, to reduce the need for travel between sites.

During the year, Eden received its 3 electric minuses which have replaced non-electric minibuses. In addition to this, the Trust has rolled out an Electric Vehicle Salary Sacrifice Scheme where employees can lease an electric vehicle for a reduced cost. To compliment and encourage this move towards electric vehicles, charging points have been installed at 2 Trust schools, and it is intended that charging points will be installed at all schools in due course.

Following LED lighting audits, the Trust has used part of its School Condition Allocation to install LED lighting at The Heights, Blackburn, Coal Clough Academy and Atherton High School. Now all buildings across the Trust's estate have LED lighting installed throughout.

Moving forward the Trust would like to engage with an energy specialist to look at how the Trust can use solar panels to save energy across the Trust. In addition to this, the Trust will also be looking at metering equipment which will allow the schools to monitor energy usage in closer detail to identify further ways in which energy usage can be reduced.

# EDUCATION PARTNERSHIP TRUST

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 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 Wigan) 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. EPT continues to work with the DfE offering support regarding the potential sponsorship of schools that have been identified by the DfE as needing to join an established MAT.

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

The Trust does not hold any funds as custodian Trustee.

### Auditor

In so far as the Directors 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 18/12/2023 and signed on its behalf by:

*Ian Brown*

.....  
**Mr I Brown**

# EDUCATION PARTNERSHIP TRUST

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

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### 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 4 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                             | 4                 | 4               |
| Mr I Brown                              | 4                 | 4               |
| Mr I M Kendrick                         | 3                 | 4               |
| Mr M C Cartledge (Resigned 7 July 2023) | 2                 | 4               |
| Mr J Holden                             | 2                 | 4               |
| Mr G J Cowley (Resigned 14 August 2023) | 4                 | 4               |
| Mrs E Mulgrew                           | 3                 | 4               |
| Mr B Posthuma De Boer                   | 4                 | 4               |

### Conflicts of interest

The Trust maintains an up-to-date and complete register of interests, at each meeting board members are asked to declare any interests. The CFO reviews for any transactions.



# EDUCATION PARTNERSHIP TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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 or by using a framework where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Improving educational standards

The Accounting Officer has improved value for money in improving educational standards in the following ways:

- The implementation of the HR Portal has demonstrated improved efficiencies, more effective monitoring of staff absence and reduced workload.

The Trust has established robust guidance within the Academy Trust's 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 and a Finance Manager who is qualified Certified Chartered Accountant. They hold regular meetings with all School Business Managers within the Trust.

Academy Advisory were commissioned for a third year as the Internal Auditors for the Trust and several internal audits performed during 2022-23 with all 7 schools being audited as well as the Trust central office. The internal audit reports highlighted some of the good practices in place at the schools as well as some recommendations which have/are being actioned at both the school and Trust level. The internal audit reports are presented to the Audit, Risk & Finance Committee.

The Trust has an internal Resources Committee made up of the CEO, Finance Director, HR Director and Director of Education. This Committee's purpose is to scrutinise requests for resources where there is expected to be a financial impact. Under this structure, full budget information is provided to Local Governing Bodies to review detailed financial information at their termly meetings. The Resources Committee provides the necessary assurance that any significant changes to budgets, either through staffing or capital investment, have been thoroughly scrutinised. Local Governing Bodies are 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, Risk 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 and Chair of Directors, on a monthly basis in line with the Academies Handbook. In addition, financial reports are prepared for all Directors and Audit, Risk & Finance Committee members at least 6 times a year.

- 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 the IT MSP, IT equipment procurement, VOIP telephone systems, energy, subscriptions and licences.

## **EDUCATION PARTNERSHIP TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2023**

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The Trust has worked with Expense Reduction Analysts (ERA), who are a company that analysed certain areas of Trust expenditure to identify areas for cost savings. During the year, ERA have managed the majority of energy contract renewals and have achieved good rates. ERA also investigated the Trust's Water costs and during October 2022 presented opportunities for savings. Further work was undertaken to align water contracts under one provider to take advantage of these cost savings.

School Business Managers or Headteachers 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.

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.

The EPT buys into the DfE RPA scheme which offers value for money for schools within our Trust. The RPA doesn't offer the same savings for Pleckgate High School, a PFI school, and as a result they procure insurance cover separately.

#### **Estates**

The Trust has installed LED lighting across 3 schools to replace older, inefficient lighting units. Although lease arrangements are available, the healthy financial position of the Trust has enabled the Trust to use its School Condition Allocation to fund the capital purchase of this lighting. Not only will this reduce energy usage, but the cost savings achieved by schools will be significant, especially with the current energy rates.

#### **Integrated Curriculum-Led Financial Planning**

The Trust has rolled out a new template specific to Alternative Provision and Special schools to support the use of integrated-curriculum led financial planning (ICFP) to plan and budget for staff in the current year as well as plan for future years. All schools are considered to be in a good position. Whilst the metrics in some cases identify areas for further cost savings/efficiencies, the dynamics of the certain schools require additional staffing. Where this is required, this is always considered in line with affordability.

#### **Income generation**

During the year, the Trust has invested £5M of surplus cashflow in various high interest earning deposit accounts. It is envisaged that the Trust will be able to generate over £100K of additional interest through these investments each year, whilst the rate of return remains at its current levels. This income will be used to support various central services, mainly the procurement of specialist school improvement support. This will streamline school improvement and enable the Trust to have full oversight ensuring a high quality. Further to this, schools will be able to utilise funding previously allocated to school improvement, to other key areas of need.

The Trust continues to be eligible for School Condition Allowance (SCA) following changes to how pupil numbers are calculated. During the year the Trust received £301K in relation to this funding and it is anticipated that this level of funding will be received annually going forward.

A number of the schools have improved the facilities within their estates which have enabled them to generate additional funds through external lettings. Further work is planned which will support future lettings.

The Trust is mindful of the need to generate additional funds to maximise income generation, especially as rising costs place greater pressure on school budgets.

# EDUCATION PARTNERSHIP TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### Areas to be developed in 2023-24

Since September 2023, further investment has been made in strengthening the ICT team. The aim of this investment is to further develop the central ICT support package which will allow ICT to be managed in a way that drives the school forward, rather than simply supporting it to function. As the Trust continues to grow, we will continue to develop the central capacity to support our schools and progress the IT strategy including actioning the recommendations raised from the Internal Audit.

The Trust will be making further enquiries with a view to installing solar panels across the Trust estate to reduce energy costs as well as reducing our carbon footprint.

The identification of further cost savings remains a priority for the Trust, including potential opportunities to reduce energy consumption to mitigate against increasing utility costs. Further information regarding this has been outlined in the Streamlined energy and carbon reporting notes above.

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

### 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 2022 to 31 August 2023 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 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Directors.

### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Audit, Risk 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;
- identification and management of risks.

The Board of Directors has decided to buy in an internal audit service from Academy Advisory.

## EDUCATION PARTNERSHIP TRUST

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2023

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The internal auditor's 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:

- a review and testing of cash, card and banking;
- a review of income and debtors;
- a review and testing of payroll;
- a review of purchasing and procurement;
- a review the management accounts;
- a review of HR records;
- an ICT follow up to the prior year audit.

During the year, the internal auditor reports to the Board of Directors, through the Audit, Risk and Finance Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities. On an annual basis the internal auditors prepare a summary report 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 has delivered their schedule of work as planned. As part of their work and reporting back to the Audit, Risk and Finance Committee some recommendations have been raised and Trust management have worked to implement the majority of recommendations raised. From testing carried out during the year, no significant findings have been made.

#### 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 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.
- the work of the external auditor;
- correspondence from ESFA e.g. financial notice to improve/notice to improve (FNtl/Ntl) and 'minded to' letters.

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

Approved by order of the member of the Board of Directors on 18/12/2023 ..... and signed on its behalf by:



**Ms S Roscoe**



**Mr I Brown**

## EDUCATION PARTNERSHIP TRUST

### STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

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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, including for estates safety and management, 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 Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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



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

18/12/2023

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# EDUCATION PARTNERSHIP TRUST

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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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 2022 to 2023 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 2022 to 2023;
- 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.

18/12/2023

Approved by order of the members of the Board of Directors on ..... and signed on its behalf by:

*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 2023

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### Opinion

We have audited the accounts of Education Partnership Trust for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2022 to 2023 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 2023 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 2022 to 2023.

### 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the accounts themselves. 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 2023

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### 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; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below:

- Enquiries with management, including trustees, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing the systems for recording revenue and to ensure income has been recognised in the correct period; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.



## EDUCATION PARTNERSHIP TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2023

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Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health & Safety; compliance with the Academy Trust Handbook; safeguarding and child protection; employment law; data protection and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

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

#### 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.

*Nicola Mason*

**Nicola Mason (Senior Statutory Auditor)**  
**for and on behalf of MHA Moore and Smalley**  
**Chartered Accountants**  
**Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

18/12/2023  
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# 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 2023

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In accordance with the terms of our engagement letter dated 9 November 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 2023

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#### 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant**  
**MHA Moore and Smalley**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

18/12/2023

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# EDUCATION PARTNERSHIP TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2023

|  |       | Unrestricted<br>funds | Restricted<br>general<br>funds | Restricted<br>fixed asset<br>funds | Total<br>2023     | Total<br>2022     |
|--|-------|-----------------------|--------------------------------|------------------------------------|-------------------|-------------------|
|  | Notes | £                     | £                              | £                                  | £                 | £                 |
| <b>Income and endowments from:</b>                 |       |                       |                                |                                    |                   |                   |
| Donations and capital grants                       | 3     | -                     | 80,853                         | 543,281                            | 624,134           | 478,997           |
| Charitable activities:                             |       |                       |                                |                                    |                   |                   |
| - Funding for educational operations               | 4     | 2,842,533             | 24,944,011                     | -                                  | 27,786,544        | 24,895,397        |
| Other trading activities                           | 5     | 63,301                | -                              | -                                  | 63,301            | 48,714            |
| Investments  | 6     | 2,424                 | -                              | -                                  | 2,424             | 624               |
| <b>Total</b>                                       |       | <u>2,908,258</u>      | <u>25,024,864</u>              | <u>543,281</u>                     | <u>28,476,403</u> | <u>25,423,732</u> |
| <b>Expenditure on:</b>                             |       |                       |                                |                                    |                   |                   |
| Charitable activities:                             |       |                       |                                |                                    |                   |                   |
| - Educational operations                           | 9     | 2,908,258             | 23,284,477                     | 1,811,427                          | 28,004,162        | 25,015,992        |
| <b>Total</b>                                       | 7     | <u>2,908,258</u>      | <u>23,284,477</u>              | <u>1,811,427</u>                   | <u>28,004,162</u> | <u>25,015,992</u> |
| <b>Net income/(expenditure)</b>                    |       | -                     | 1,740,387                      | (1,268,146)                        | 472,241           | 407,740           |
| Transfers between funds                            | 17    | -                     | (1,091,887)                    | 1,091,887                          | -                 | -                 |
| <b>Other recognised gains/(losses)</b>             |       |                       |                                |                                    |                   |                   |
| Actuarial gains on defined benefit pension schemes | 19    | -                     | 2,316,000                      | -                                  | 2,316,000         | 9,735,000         |
| <b>Net movement in funds</b>                       |       | -                     | 2,964,500                      | (176,259)                          | 2,788,241         | 10,142,740        |
| <b>Reconciliation of funds</b>                     |       |                       |                                |                                    |                   |                   |
| Total funds brought forward                        |       | 491,000               | 3,067,798                      | 47,006,959                         | 50,565,757        | 40,423,017        |
| Total funds carried forward                        | 17    | <u>491,000</u>        | <u>6,032,298</u>               | <u>46,830,700</u>                  | <u>53,353,998</u> | <u>50,565,757</u> |

# EDUCATION PARTNERSHIP TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2023

|  | Notes | 2023<br>£   | £ | 2022<br>£   | £ |
|--|-------|-------------|---|-------------|---|
| <b>Fixed assets</b>                            |       |             |   |             |   |
| Tangible assets                                | 13    | 46,624,886  |   | 46,805,244  |   |
| <b>Current assets</b>                          |       |             |   |             |   |
| Debtors  | 14    | 1,060,656   |   | 1,489,025   |   |
| Cash at bank and in hand                       |       | 8,132,139   |   | 6,571,227   |   |
|  |       | 9,192,795   |   | 8,060,252   |   |
| <b>Current liabilities</b>                     |       |             |   |             |   |
| Creditors: amounts falling due within one year | 15    | (2,463,683) |   | (2,024,739) |   |
| <b>Net current assets</b>                      |       | 6,729,112   |   | 6,035,513   |   |
| <b>Net assets excluding pension liability</b>  |       | 53,353,998  |   | 52,840,757  |   |
| Defined benefit pension scheme liability       | 19    | -           |   | (2,275,000) |   |
| <b>Total net assets</b>                        |       | 53,353,998  |   | 50,565,757  |   |
| <b>Funds of the Trust:</b>                     |       |             |   |             |   |
| <b>Restricted funds</b>                        | 17    |             |   |             |   |
| - Fixed asset funds                            |       | 46,830,700  |   | 47,006,959  |   |
| - Restricted income funds                      |       | 6,032,298   |   | 5,342,798   |   |
| - Pension reserve                              |       | -           |   | (2,275,000) |   |
| <b>Total restricted funds</b>                  |       | 52,862,998  |   | 50,074,757  |   |
| <b>Unrestricted income funds</b>               | 17    | 491,000     |   | 491,000     |   |
| <b>Total funds</b>                             |       | 53,353,998  |   | 50,565,757  |   |

The accounts on pages 26 to 49 were approved by the Directors and authorised for issue on 18/12/2023 and are signed on their behalf by:

*Ian Brown*

Mr I Brown

Company registration number 07950891 (England and Wales)

# EDUCATION PARTNERSHIP TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

|  | Notes | 2023<br>£   | £                       | 2022<br>£ | £                       |
|--|-------|-------------|-------------------------|-----------|-------------------------|
| <b>Cash flows from operating activities</b>                              |       |             |                         |           |                         |
| Net cash provided by operating activities                                | 20    |             | 2,646,276               |           | 2,225,914               |
| <b>Cash flows from investing activities</b>                              |       |             |                         |           |                         |
| Dividends, interest and rents from investments                           |       | 2,424       |                         | 624       |                         |
| Capital grants from DfE Group  |       | 543,281     |                         | 474,183   |                         |
| Purchase of tangible fixed assets  |       | (1,631,069) |                         | (805,508) |                         |
| <b>Net cash used in investing activities</b>                             |       |             | <u>(1,085,364)</u>      |           | <u>(330,701)</u>        |
| <b>Net increase in cash and cash equivalents in the reporting period</b> |       |             | 1,560,912               |           | 1,895,213               |
| Cash and cash equivalents at beginning of the year                       |       |             | <u>6,571,227</u>        |           | <u>4,676,014</u>        |
| <b>Cash and cash equivalents at end of the year</b>                      |       |             | <u><u>8,132,139</u></u> |           | <u><u>6,571,227</u></u> |

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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 2022 to 2023 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 Income

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

###### Grants

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

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

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

###### Sponsorship income

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

###### Donations

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

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

(Continued)

#### Other income

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

#### Donated goods, facilities and services

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

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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



# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing over £1,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. In addition to this, IT equipment, other than that of a consumable nature, has been capitalised.

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             | Between 0% and 5% |
| 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.

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

(Continued)

#### Financial liabilities

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

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

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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

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

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

#### 1.11 Fund accounting

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

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

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

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 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 2023. 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 2023

### 3 Donations and capital grants

|                 | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants  | -                          | 543,281                  | 543,281            | 474,183            |
| Other donations | -                          | 80,853                   | 80,853             | 4,814              |
|                 | -                          | 624,134                  | 624,134            | 478,997            |

The income from donations and capital grants was £624,134 (2022: £478,997) of which £80,853 was restricted (2022: £4,814) and £543,281 was restricted fixed assets (2022: £474,183).

### 4 Funding for the Trust's educational operations

|                                 | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE/ESFA grants</b>          |                            |                          |                    |                    |
| General annual grant (GAG)      | -                          | 19,824,742               | 19,824,742         | 18,427,887         |
| Other DfE/ESFA grants:          |                            |                          |                    |                    |
| - Pupil premium                 | -                          | 904,804                  | 904,804            | 825,508            |
| - Others                        | -                          | 1,194,720                | 1,194,720          | 1,258,224          |
|                                 | -                          | 21,924,266               | 21,924,266         | 20,511,619         |
| <b>Other government grants</b>  |                            |                          |                    |                    |
| Local authority grants          | -                          | 2,844,494                | 2,844,494          | 1,932,468          |
| <b>Other incoming resources</b> | 2,842,533                  | 175,251                  | 3,017,784          | 2,451,310          |
| <b>Total funding</b>            | 2,842,533                  | 24,944,011               | 27,786,544         | 24,895,397         |

The income from funding for educational operations was £27,786,544 (2022: £24,895,397) of which £2,842,533 was unrestricted (2022: £2,395,100) and £24,944,011 was restricted (2022: £22,500,297).

### 5 Other trading activities

|                    | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities | 63,301                     | -                        | 63,301             | 48,714             |

The income from other trading activities was £63,301 (2022: £48,714) of which £63,301 was unrestricted (2022: £48,714).

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 6 Investment income

|                     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 2,424                      | -                        | 2,424              | 624                |

The income from funding for investment income was £2,424 (2022: £624) of which £2,424 was unrestricted (2022: £624).

### 7 Expenditure

|                                  | Staff costs<br>£ | Non-pay expenditure<br>Premises<br>£ | Other<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|----------------------------------|------------------|--------------------------------------|------------|--------------------|--------------------|
| Academy's educational operations |                  |                                      |            |                    |                    |
| - Direct costs                   | 17,006,940       | 373,835                              | 2,384,429  | 19,765,204         | 16,704,814         |
| - Allocated support costs        | 2,798,046        | 4,545,807                            | 895,105    | 8,238,958          | 8,311,178          |
|                                  | 19,804,986       | 4,919,642                            | 3,279,534  | 28,004,162         | 25,015,992         |

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

|   | 2023<br>£ | 2022<br>£ |
|---|-----------|-----------|
| Operating lease rentals                           | 112,616   | 93,613    |
| Depreciation of tangible fixed assets             | 1,811,427 | 1,703,697 |
| Fees payable to auditor for:                      |           |           |
| - Audit   | 24,300    | 22,100    |
| - Other services                                  | 9,290     | 8,450     |
| Net interest on defined benefit pension liability | 83,000    | 181,000   |

### 8 Central services

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

- human resources;
- financial services;
- legal services;
- school improvement support;
- 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 2023

### 8 Central services

(Continued)

The amounts charged during the year were as follows:

|                         | 2023<br>£        | 2022<br>£        |
|-------------------------|------------------|------------------|
| The Heights Free School | 127,530          | 116,750          |
| Eden School             | 64,665           | 55,725           |
| Pleckgate High School   | 437,541          | 385,383          |
| Coal Clough Academy     | 115,694          | 115,557          |
| The Heights Burnley     | 88,003           | 80,208           |
| Atherton High           | 175,066          | 137,868          |
| Burnley High            | 190,897          | 168,079          |
|                         | <u>1,199,396</u> | <u>1,059,570</u> |

### 9 Charitable activities

|                        | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Direct costs</b>    |                            |                          |                    |                    |
| Educational operations | 2,431,000                  | 17,334,204               | 19,765,204         | 16,704,814         |
| <b>Support costs</b>   |                            |                          |                    |                    |
| Educational operations | 477,258                    | 7,761,700                | 8,238,958          | 8,311,178          |
|                        | <u>2,908,258</u>           | <u>25,095,904</u>        | <u>28,004,162</u>  | <u>25,015,992</u>  |

The expenditure on charitable activities was £28,004,162 (2022: £25,015,992) of which £2,908,258 was unrestricted (2022: £2,444,438), £23,284,477 was restricted (2022: £20,867,857) and £1,811,427 was restricted fixed assets (2022: £1,703,697).

|                                  | 2023<br>£        | 2022<br>£        |
|----------------------------------|------------------|------------------|
| <b>Analysis of support costs</b> |                  |                  |
| Support staff costs              | 2,798,046        | 3,592,955        |
| Depreciation                     | 1,437,592        | 1,390,502        |
| Premises costs                   | 3,044,403        | 2,496,117        |
| Legal costs                      | 20,714           | 37,919           |
| Other support costs              | 896,998          | 755,067          |
| Governance costs                 | 41,205           | 38,618           |
|                                  | <u>8,238,958</u> | <u>8,311,178</u> |

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 10 Staff

#### Staff costs

Staff costs during the year were:

|                           | 2023<br>£  | 2022<br>£  |
|---------------------------|------------|------------|
| Wages and salaries        | 14,207,864 | 12,763,490 |
| Social security costs     | 1,354,917  | 1,214,733  |
| Pension costs             | 2,971,842  | 3,382,129  |
| Staff costs - employees   | 18,534,623 | 17,360,352 |
| Agency staff costs        | 1,220,863  | 918,637    |
| Staff restructuring costs | 49,500     | 29,141     |
| Total staff expenditure   | 19,804,986 | 18,308,130 |

Staff restructuring costs comprise:

|                     |        |        |
|---------------------|--------|--------|
| Redundancy payments | -      | 9,000  |
| Severance payments  | 49,500 | 20,141 |
|                     | 49,500 | 29,141 |

#### Severance payments

The Trust paid 6 severance payments in the year, disclosed in the following bands:

|                   |   |
|-------------------|---|
| £0 - £25,000      | 5 |
| £25,001 - £50,000 | 1 |

#### Staff numbers

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

|                            | 2023<br>Number | 2022<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 177            | 168            |
| Administration and support | 239            | 222            |
| Management                 | 30             | 27             |
|                            | 446            | 417            |

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 10 Staff

(Continued)

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

|                            | 2023<br>Number | 2022<br>Number |
|----------------------------|----------------|----------------|
| Teachers                   | 171            | 163            |
| Administration and support | 182            | 174            |
| Management                 | 29             | 27             |
|                            | <u>382</u>     | <u>364</u>     |

#### Higher paid staff

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

|                     | 2023<br>Number | 2022<br>Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000   | 7              | 4              |
| £70,001 - £80,000   | 2              | 9              |
| £80,001 - £90,000   | 7              | -              |
| £90,001 - £100,000  | 1              | 1              |
| £110,001 - £120,000 | -              | 2              |
| £120,001 - £130,000 | 2              | -              |
|                     | <u>2</u>       | <u>16</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 key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,416,361(2022: £1,254,980).

### 11 Directors' remuneration and expenses

One director has been paid remuneration or has 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 - £125,001 - £130,000 (2022: £115,001 - £120,000)

Employers' pension contribution - £20,001 - £25,000 (2022: £15,001 - £20,000)

During the year no travel and subsistence expenses were reimbursed to the Directors (2022: £nil)



# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 12 Directors' and officers' insurance

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

### 13 Tangible fixed assets

|                       | Land and<br>buildings | Computer<br>equipment | Fixtures,<br>fittings &<br>equipment | Motor<br>vehicles | Total      |
|-----------------------|-----------------------|-----------------------|--------------------------------------|-------------------|------------|
|                       | £                     | £                     | £                                    | £                 | £          |
| <b>Cost</b>           |                       |                       |                                      |                   |            |
| At 1 September 2022   | 51,065,931            | 1,924,534             | 738,894                              | 36,020            | 53,765,379 |
| Additions             | 744,116               | 640,621               | 238,332                              | 8,000             | 1,631,069  |
| At 31 August 2023     | 51,810,047            | 2,565,155             | 977,226                              | 44,020            | 55,396,448 |
| <b>Depreciation</b>   |                       |                       |                                      |                   |            |
| At 1 September 2022   | 5,213,754             | 1,250,323             | 462,797                              | 33,261            | 6,960,135  |
| Charge for the year   | 1,323,811             | 373,835               | 113,109                              | 672               | 1,811,427  |
| At 31 August 2023     | 6,537,565             | 1,624,158             | 575,906                              | 33,933            | 8,771,562  |
| <b>Net book value</b> |                       |                       |                                      |                   |            |
| At 31 August 2023     | 45,272,482            | 940,997               | 401,320                              | 10,087            | 46,624,886 |
| At 31 August 2022     | 45,852,177            | 674,211               | 276,097                              | 2,759             | 46,805,244 |

The net book value of land and buildings comprises:

|                                 | 2023<br>£  | 2022<br>£  |
|---------------------------------|------------|------------|
| Long leaseholds (over 50 years) | 45,272,482 | 45,852,177 |

### 14 Debtors

|                                | 2023<br>£ | 2022<br>£ |
|--------------------------------|-----------|-----------|
| Trade debtors                  | 121,457   | 157,372   |
| VAT recoverable                | 429,432   | 740,819   |
| Other debtors                  | 7,493     | 1,395     |
| Prepayments and accrued income | 502,274   | 589,439   |
|                                | 1,060,656 | 1,489,025 |

## EDUCATION PARTNERSHIP TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

|                                    | 2023<br>£        | 2022<br>£        |
|------------------------------------|------------------|------------------|
| Trade creditors                    | 783,803          | 476,092          |
| Other taxation and social security | 347,550          | 305,870          |
| EFA creditors                      | 80,000           | 120,637          |
| Other creditors                    | 340,132          | 333,125          |
| Accruals and deferred income       | 912,198          | 789,015          |
|                                    | <u>2,463,683</u> | <u>2,024,739</u> |

#### 16 Deferred income

|                                     | 2023<br>£      | 2022<br>£      |
|-------------------------------------|----------------|----------------|
| Deferred income is included within: |                |                |
| Creditors due within one year       | <u>364,142</u> | <u>222,839</u> |
| Deferred income at 1 September 2022 | 222,839        | 252,948        |
| Released from previous years        | (222,839)      | (252,948)      |
| Resources deferred in the year      | <u>364,142</u> | <u>222,839</u> |
| Deferred income at 31 August 2023   | <u>364,142</u> | <u>222,839</u> |

Deferred income relates to ESFA and 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 2023

### 17 Funds

|                                     | Balance at<br>1 September<br>2022<br>£ | Income<br>£       | Expenditure<br>£    | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2023<br>£ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                   |                     |  |                                      |
| General Annual Grant (GAG)          | 5,342,798                              | 19,824,742        | (18,043,355)        | (1,091,887)                            | 6,032,298                            |
| Pupil premium                       | -                                      | 904,804           | (904,804)           | -                                      | -                                    |
| Other DfE/ESFA grants               | -                                      | 1,194,720         | (1,194,720)         | -                                      | -                                    |
| Other government grants             | -                                      | 2,844,494         | (2,844,494)         | -                                      | -                                    |
| Other restricted funds              | -                                      | 256,104           | (256,104)           | -                                      | -                                    |
| Pension reserve                     | (2,275,000)                            | -                 | (41,000)            | 2,316,000                              | -                                    |
|                                     | <u>3,067,798</u>                       | <u>25,024,864</u> | <u>(23,284,477)</u> | <u>1,224,113</u>                       | <u>6,032,298</u>                     |
| <b>Restricted fixed asset funds</b> |  |                   |                     |  |                                      |
| Inherited on conversion             | 38,699,054                             | -                 | (1,229,990)         | -                                      | 37,469,064                           |
| DfE group capital grants            | 6,161,895                              | 543,281           | (182,880)           | (539,182)                              | 5,983,114                            |
| Capital expenditure from GAG        | 2,146,010                              | -                 | (398,557)           | 1,631,069                              | 3,378,522                            |
|                                     | <u>47,006,959</u>                      | <u>543,281</u>    | <u>(1,811,427)</u>  | <u>1,091,887</u>                       | <u>46,830,700</u>                    |
| <b>Total restricted funds</b>       | <u>50,074,757</u>                      | <u>25,568,145</u> | <u>(25,095,904)</u> | <u>2,316,000</u>                       | <u>52,862,998</u>                    |
| <b>Unrestricted funds</b>           |  |                   |                     |  |                                      |
| General funds                       | 491,000                                | 2,908,258         | (2,908,258)         | -                                      | 491,000                              |
| <b>Total funds</b>                  | <u>50,565,757</u>                      | <u>28,476,403</u> | <u>(28,004,162)</u> | <u>2,316,000</u>                       | <u>53,353,998</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 2023.

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 2023

### 17 Funds

(Continued)

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

|                                     | Balance at<br>1 September<br>2021<br>£ | Income<br>£       | Expenditure<br>£    | Gains,<br>losses and<br>transfers<br>£ | Balance at<br>31 August<br>2022<br>£ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| <b>Restricted general funds</b>     |  |                   |                     |  |                                      |
| General Annual Grant (GAG)          | 3,515,584                              | 18,427,887        | (16,067,633)        | (533,040)                              | 5,342,798                            |
| Pupil premium                       | -                                      | 825,508           | (825,508)           | -                                      | -                                    |
| Other DfE/ESFA grants               | -                                      | 1,258,224         | (1,258,224)         | -                                      | -                                    |
| Other government grants             | -                                      | 1,932,468         | (1,932,468)         | -                                      | -                                    |
| Other restricted funds              | -                                      | 61,024            | (61,024)            | -                                      | -                                    |
| Pension reserve                     | (11,287,000)                           | -                 | (723,000)           | 9,735,000                              | (2,275,000)                          |
|                                     | <u>(7,771,416)</u>                     | <u>22,505,111</u> | <u>(20,867,857)</u> | <u>9,201,960</u>                       | <u>3,067,798</u>                     |
| <b>Restricted fixed asset funds</b> |  |                   |                     |  |                                      |
| Inherited on conversion             | 39,929,066                             | -                 | (1,230,012)         | -                                      | 38,699,054                           |
| DfE group capital grants            | 6,039,420                              | 474,183           | (181,064)           | (170,644)                              | 6,161,895                            |
| Capital expenditure from GAG        | 1,734,947                              | -                 | (292,621)           | 703,684                                | 2,146,010                            |
|                                     | <u>47,703,433</u>                      | <u>474,183</u>    | <u>(1,703,697)</u>  | <u>533,040</u>                         | <u>47,006,959</u>                    |
| <b>Total restricted funds</b>       | <u>39,932,017</u>                      | <u>22,979,294</u> | <u>(22,571,554)</u> | <u>9,735,000</u>                       | <u>50,074,757</u>                    |
| <b>Unrestricted funds</b>           |  |                   |                     |  |                                      |
| General funds                       | <u>491,000</u>                         | <u>2,444,438</u>  | <u>(2,444,438)</u>  | <u>-</u>                               | <u>491,000</u>                       |
| <b>Total funds</b>                  | <u>40,423,017</u>                      | <u>25,423,732</u> | <u>(25,015,992)</u> | <u>9,735,000</u>                       | <u>50,565,757</u>                    |

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 17 Funds

(Continued)

#### Total funds analysis by academy

|  | 2023<br>£  | 2022<br>£   |
|--|------------|-------------|
| Fund balances at 31 August 2023 were allocated as follows: |            |             |
| The Heights Free School                                    | 1,606,661  | 1,562,489   |
| Eden School  | 451,729    | 345,709     |
| Pleckgate High School                                      | 1,045,396  | 839,794     |
| Coal Clough Academy  | 714,957    | 534,423     |
| The Heights Burnley  | 923,344    | 902,381     |
| Atherton High  | 446,603    | 515,975     |
| Burnley High   | 1,047,312  | 865,356     |
| Central services   | 287,296    | 267,671     |
|  |            |             |
| Total before fixed assets fund and pension reserve         | 6,523,298  | 5,833,798   |
|  |            |             |
| Restricted fixed asset fund                                | 46,830,700 | 47,006,959  |
| Pension reserve  | -          | (2,275,000) |
|  |            |             |
| Total funds  | 53,353,998 | 50,565,757  |

#### Total cost analysis by academy

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

|                         | Teaching and<br>educational<br>support staff<br>£ | Other support<br>staff costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>excluding<br>depreciation<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|-------------------------|---|-----------------------------------|------------------------------|---|--------------------|--------------------|
| The Heights Free School | 1,784,165   | 274,489                           | 170,755                      | 377,748                                       | 2,607,157          | 2,172,276          |
| Eden School             | 1,000,659   | 169,499                           | 110,854                      | 177,373                                       | 1,458,385          | 1,166,833          |
| Pleckgate High School   | 5,490,304   | 888,274                           | 693,120                      | 1,983,034                                     | 9,054,732          | 7,955,900          |
| Coal Clough Academy     | 1,977,510   | 251,165                           | 164,707                      | 215,636                                       | 2,609,018          | 2,264,463          |
| The Heights Burnley     | 1,150,161   | 266,693                           | 139,654                      | 138,543                                       | 1,695,051          | 1,322,364          |
| Atherton High           | 2,578,739   | 316,305                           | 384,494                      | 478,517                                       | 3,758,055          | 3,197,419          |
| Burnley High            | 2,467,636   | 172,883                           | 572,262                      | 465,775                                       | 3,678,556          | 3,344,161          |
| Central services        | 557,766   | 458,738                           | 148,583                      | 166,694                                       | 1,331,781          | 1,888,879          |
|                         |   |                                   |                              |   |                    |                    |
|                         | 17,006,940  | 2,798,046                         | 2,384,429                    | 4,003,320                                     | 26,192,735         | 23,312,295         |

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 18 Analysis of net assets between funds

|  | Unrestricted<br>Funds<br>£ | Restricted funds:<br>General<br>£ | Fixed asset<br>£  | Total<br>Funds<br>£ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| <b>Fund balances at 31 August 2023 are represented by:</b> |                            |                                   |                   |                     |
| Tangible fixed assets                                      | -                          | -                                 | 46,624,886        | 46,624,886          |
| Current assets   | 491,000                    | 8,495,981                         | 205,814           | 9,192,795           |
| Current liabilities  | -                          | (2,463,683)                       | -                 | (2,463,683)         |
| <b>Total net assets</b>                                    | <b>491,000</b>             | <b>6,032,298</b>                  | <b>46,830,700</b> | <b>53,353,998</b>   |
|  |                            |                                   |                   |                     |
|  | Unrestricted<br>Funds<br>£ | Restricted funds:<br>General<br>£ | Fixed asset<br>£  | Total<br>Funds<br>£ |
| <b>Fund balances at 31 August 2022 are represented by:</b> |                            |                                   |                   |                     |
| Tangible fixed assets                                      | -                          | -                                 | 46,805,244        | 46,805,244          |
| Current assets   | 491,000                    | 7,367,537                         | 201,715           | 8,060,252           |
| Current liabilities  | -                          | (2,024,739)                       | -                 | (2,024,739)         |
| Pension scheme liability                                   | -                          | (2,275,000)                       | -                 | (2,275,000)         |
| <b>Total net assets</b>                                    | <b>491,000</b>             | <b>3,067,798</b>                  | <b>47,006,959</b> | <b>50,565,757</b>   |

### 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 latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £335,076 were payable to the schemes at 31 August 2023 (2022: £300,301 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 academy trusts. 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 2023

### 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,846,527 (2022: £1,758,064).

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 14.5 to 20.2% 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 2023/24: £200,400, 2024/25: £209,600 and 2025/26: £219,200.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 19 Pension and similar obligations (Continued)

| Total contributions made | 2023<br>£ | 2022<br>£ |
|--------------------------|-----------|-----------|
| Employer's contributions | 1,000,000 | 891,000   |
| Employees' contributions | 284,000   | 246,000   |
| Total contributions      | 1,284,000 | 1,137,000 |

| Principal actuarial assumptions                    | 2023<br>% | 2022<br>% |
|--|-----------|-----------|
| Rate of increase in salaries                       | 4.03      | 4.05      |
| Rate of increase for pensions in payment/inflation | 2.93      | 2.93      |
| Discount rate for scheme liabilities               | 5.25      | 4.28      |
| Inflation assumption (CPI)                         | 2.80      | 2.80      |

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

|                      | 2023<br>Years | 2022<br>Years |
|----------------------|---------------|---------------|
| Retiring today       |               |               |
| - Males              | 20.6          | 21.3          |
| - Females            | 23.5          | 24.1          |
| Retiring in 20 years |               |               |
| - Males              | 21.1          | 22.7          |
| - Females            | 25.1          | 26.0          |

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

| Defined benefit pension scheme net asset/(liability) | 2023<br>£    | 2022<br>£    |
|--|--------------|--------------|
| Scheme assets  | 12,464,000   | 11,094,000   |
| Scheme obligations                                   | (12,464,000) | (13,369,000) |
| Net asset/(liability)                                | -            | (2,275,000)  |



# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 19 Pension and similar obligations

(Continued)

| The Trust's share of the assets in the scheme | 2023<br>Fair value<br>£ | 2022<br>Fair value<br>£ |
|---|-------------------------|-------------------------|
| Equities                                      | 6,257,000               | 5,473,000               |
| Bonds   | 192,000                 | 592,000                 |
| Cash  | 152,000                 | 247,000                 |
| Property                                      | 1,168,000               | 1,188,000               |
| Other assets                                  | 4,695,000               | 3,594,000               |
| Total market value of assets                  | 12,464,000              | 11,094,000              |

The actual return on scheme assets was £223,000 (2022: £684,000).

| Amount recognised in the statement of financial activities | 2023<br>£ | 2022<br>£ |
|--|-----------|-----------|
| Current service cost                                       | 934,000   | 1,412,000 |
| Interest income  | (501,000) | (168,000) |
| Interest cost  | 584,000   | 349,000   |
| Administration expenses                                    | 24,000    | 21,000    |
| Total operating charge                                     | 1,041,000 | 1,614,000 |

| Changes in the present value of defined benefit obligations | 2023<br>£   | 2022<br>£   |
|---|-------------|-------------|
| At 1 September 2022   | 13,369,000  | 20,638,000  |
| Current service cost  | 934,000     | 1,412,000   |
| Interest cost   | 584,000     | 349,000     |
| Employee contributions                                      | 284,000     | 246,000     |
| Actuarial gain  | (2,594,000) | (9,219,000) |
| Benefits paid   | (113,000)   | (57,000)    |
| At 31 August 2023   | 12,464,000  | 13,369,000  |

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 19 Pension and similar obligations (Continued)

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

|   | 2023<br>£  | 2022<br>£  |
|---|------------|------------|
| At 1 September 2022   | 11,094,000 | 9,351,000  |
| Interest income   | 501,000    | 168,000    |
| Actuarial loss/(gain)   | (278,000)  | 516,000    |
| Employer contributions  | 1,000,000  | 891,000    |
| Employee contributions  | 284,000    | 246,000    |
| Benefits paid   | (113,000)  | (57,000)   |
| Effect of non-routine settlements and administration expenses | (24,000)   | (21,000)   |
| At 31 August 2023   | 12,464,000 | 11,094,000 |

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

|  | Notes | 2023<br>£ | 2022<br>£ |
|--|-------|-----------|-----------|
| Net income for the reporting period (as per the statement of financial activities) |       | 472,241   | 407,740   |
| Adjusted for:  |       |           |           |
| Capital grants from DfE and other capital income                                   |       | (543,281) | (474,183) |
| Investment income receivable   | 6     | (2,424)   | (624)     |
| Defined benefit pension costs less contributions payable                           | 19    | (42,000)  | 542,000   |
| Defined benefit pension scheme finance cost  | 19    | 83,000    | 181,000   |
| Depreciation of tangible fixed assets  |       | 1,811,427 | 1,703,697 |
| Decrease/(increase) in debtors   |       | 428,369   | (516,601) |
| Increase in creditors  |       | 438,944   | 382,885   |
| Net cash provided by operating activities  |       | 2,646,276 | 2,225,914 |

### 21 Analysis of changes in net funds

|      | 1 September<br>2022<br>£ | Cash flows<br>£ | 31 August<br>2023<br>£ |
|------|--------------------------|-----------------|------------------------|
| Cash | 6,571,227                | 1,560,912       | 8,132,139              |

# EDUCATION PARTNERSHIP TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 22 Long-term commitments

#### Operating leases

At 31 August 2023 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

|                                   | 2023<br>£         | 2022<br>£         |
|-----------------------------------|-------------------|-------------------|
| Amounts due within one year       | 1,324,661         | 1,166,936         |
| Amounts due in two and five years | 5,056,728         | 4,350,507         |
| Amounts due after five years      | 10,841,858        | 10,733,227        |
|                                   | <u>17,223,247</u> | <u>16,250,670</u> |

Included in the above is an annual PFI commitment for Pleckgate High School of £1,204,651 which will be indexed linked over the period of the commitment.

### 23 Related party transactions

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

J Holden is a Partner at Forbes Solicitors, during the year the Trust paid £28,052 (2022: £36,726) for legal services and £2,400 (2022: £482) was owed to the firm at the year end.

There were no related party transaction in the prior year.

### 24 Members' liability

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