

# REGISTRAR OF COMPANIES

**The Howard Partnership  
Trust (previously known as  
Howard of Effingham  
School)**

## **Annual Report and Financial Statements**

31 August 2013

Company Limited by Guarantee  
Registration Number  
07597068 (England and Wales)

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## Reference and administrative information

### Trustees at as 16 December 2013

R J Barnfield  
P Bush  
T Crombie  
J Ripley  
M Swyny  
G Walker (Vice Chair)  
C Williamson (Chair)

### Governors of Howard of Effingham School as at 16 December 2013

Mr Mark Swyny – Chair  
Mr C Williamson  
Mr P Bush  
Mr P Entwistle  
Mr J Ripley  
Mrs G Walker  
Mrs K White  
Mr P Stephen  
Mrs S Williams  
Mrs J Dickinson  
Mrs J Field  
Dr T Wood  
Mr S Snashall  
Ms R J Barnfield  
Mrs Helen Pennington

### Company Secretary

J Moore

### Senior Leadership Team of Howard of Effingham School

Executive Head  
Head of School  
Deputy Heads

Assistant Heads

Executive Business Manager

R J Barnfield  
H Pennington  
D Ashby  
A Payne  
S Stanton  
T Burns  
V Da Silva Rowe  
K Halsey  
M Jeffrey  
J Menhenett  
K Mitchell  
J Moore

## Reference and administrative information

<b>Registered address</b>	Lower Road Effingham Surrey KT24 5JR
<b>Company registration number</b>	07597068 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC 18 North Street Leatherhead Surrey KT22 7AR
<b>Solicitors</b>	Stone King LLP 16 St John's Lane London EC1M 4BS

## **Trustees' report 31 August 2013**

The Trustees of The Howard Partnership Trust, previously known as Howard of Effingham School present their statutory report together with the financial statements of the Charitable Company for the year to 31 August 2013. These financial statements include the results of Howard of Effingham School for the year ended 31 August 2013 and not the results of the other members of The Howard Partnership for that period.

The financial statements have been prepared in accordance with the accounting policies set out on pages 25 to 28 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

For the year under review, the Trust was a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Trust. The Trust was incorporated on 8 April 2011 and took over the activities of Howard of Effingham School from 1 July 2011.

During the year under review, the Trustees were also Directors for the purposes of company law. The Trust was known as Howard of Effingham School throughout the year ended 31 August 2013 and was part of The Howard Partnership.

Details of the Trustees who served throughout the period except as noted are included on page 4.

On 8 October 2013 the Trust changed its name from Howard of Effingham School to The Howard Partnership Trust.

On 1 November 2013 The Howard Partnership Trust became a Multi Academy Trust and Howard of Effingham School and Thomas Knyvett College became academies within The Howard Partnership Trust. On 1 December 2013 Kenyngton Manor Primary School became an academy within The Howard Partnership Trust.

The Trust's revised Memorandum and Articles of Association reflect the conversion to Multi Academy Trust status. Following this, a Local Governing Body (LGB), a committee of The Howard Partnership Trust, was established for each Academy within the Multi Academy Trust. LGB members do not act as Trustees or Directors of the Charitable Company unless directly appointed to do so.

#### **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.

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Principal activities**

The Trust's principal activities in accordance with its objectives for the year ended 31 August 2013 were advancing education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In addition, the Trust promoted the use of recreational facilities and provides public lectures for the benefit of local residents and their families.

**Trustees**

In the year under review Trustees, who are also Directors of the Charitable Company for the purposes of the Companies Act 2006, were as follows and served throughout the period except where shown

Trustee	Appointed/Resigned
Mrs R J Barnfield	
Mr P Bush	
Ms T Crombie	Appointed 1 November 2013
Mrs J Dickinson	Resigned 31 October 2013
Mr P Entwistle	Resigned 31 October 2013
Mrs J Field	Resigned 31 October 2013
Dr K Halsey	Resigned 31 October 2013
Mrs S Maddox	Resigned 31 October 2013
Mr P Reid	Resigned 11 February 2013
Mr J Ripley	
Mr A M Smith	Resigned 31 October 2013
Mr S Snashall	Appointed 24 May 2013
	Resigned 31 October 2013
Mr P Stephen	Appointed 10 December 2012
	Resigned 31 October 2013
Mr M Swyny	Appointed 14 October 2012
Mrs G Walker	
Mrs K White	Resigned 31 October 2013
Mrs S Williams	Resigned 31 October 2013
Mr C Williamson	
Dr T Wood	Appointed 17 September 2012
	Resigned 31 October 2013

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Governors**

The Governors of Howard of Effingham School, who were also the Trustees/Directors of the Trust until 31 October 2013, in office since 1 September 2012 were as follows

Governor	Appointed/Resigned	Appointing body
Mrs R J Barnfield		Ex officio Executive Head
Mr P Bush		HPET Foundation
Mrs J Dickinson		Parent
Mr P Entwistle		HPET Foundation
Mrs J Field		Parent
Dr K Halsey		Staff
Mrs S Maddox		Parent
Mr P Reid	Resigned 11 February 2013	Staff
Mr J Ripley		HPET Foundation
Mr A M Smith		Parent
Mr S Snashall	Appointed 24 May 2013	Staff
Mr P Stephen	Appointed 10 December 2012	Parent
Mr M Swyny	Appointed 14 October 2012	Community
Mrs G Walker		HPET Foundation
Mrs K White		HPET Foundation
Mrs S Williams		Parent
Mr C Williamson		HPET Foundation
Dr T Wood	Appointed 17 September 2012	Community

**Method of recruitment and appointment or election of governors until 31 October 2013**

For the year under review the Governing Body was constituted with -

- ♦ Six Foundation Governors,
- ♦ Six Parent Governors,
- ♦ Two Community Governors,
- ♦ Two Staff Governors,
- ♦ The Executive Head

Foundation Governors were appointed by the Howard Partnership Education Trust (HPET) and Community Governors were appointed by the Governing Body. Parent Governors were elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time when elected. Staff Governors were elected by staff members at the School. Should there have been a vacancy, the Executive Head would be selected by HPET with the recommendation endorsed by the Governing Body.

Volunteers for Community Governor vacancies were found through local contacts and organisations such as School Governors' One-Stop Shop (SGOSS). Potential candidates typically first visited the school and met the Chair, Vice-Chair and Executive Head for a preliminary screening. Where appropriate the candidate would have been introduced to the Governing Body with a view to appointment.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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

The Governing Body has an informal process for the induction and training of new Governors. An induction pack is maintained by the Vice-Chair of Governors with support from the School. An informal induction is held with all new Governors, typically a morning meeting where various topics are discussed with the Chair, Vice-Chair and Executive Head. All new Governors are strongly encouraged to participate in the induction training provided termly by Babcock 4S under the School's Service Level Agreement. All new Governors are provided with a mentor to assist in their development. As Governor turn-over is low, induction tends to be done informally and bespoke induction programmes are able to be provided to individuals.

All new Governors are given an initial tour of the school and invited to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

Training is also being developed for all Governors to address their obligations as company directors.

### **Organisational structure**

The leadership structure consists of three levels: the Governors, the Senior Leadership Team (SLT) and middle leadership within the school. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors fulfil a largely strategic role. They are responsible for setting general policy, adopting an annual development plan and budget, monitoring the school by the use of budgets and making major decisions about the direction of the school, capital expenditure and senior staff appointments.

The current SLT are the Executive Head, Head of School, three Deputy Heads, six Assistant Heads and the Executive Business Manager. These professionals lead the school at an executive level implementing the policies ratified by the Governors and reporting back to them. As a group the SLT are responsible for the authorisation of spending within approved budgets and the appointment of staff, although appointment boards for senior posts including the SLT are supported by at least one Governor.

The middle leadership team includes the five Year Leaders and the nine Heads of Faculty. These leaders are responsible for the day to day operation of the school, in particular organising the teaching staff and students.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Risk management**

The Governors have assessed the major risks to which the school is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School, and its finances. The Governors have monitored the effectiveness of school procedures implemented to mitigate risks that the School faces, especially in the operational areas, recruitment, Health & Safety (including safeguarding) and financial controls. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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

In the year under review, Howard of Effingham School had a formal arrangement through a Memorandum of Agreement with the Howard Partnership Education Trust (HPET) to be a member of The Howard Partnership. The Memorandum of Agreement detailed the terms and conditions of the arrangement and the range of support to be offered by the HPET for the benefit of the School. HPET is a charitable company limited by guarantee which acted as an overarching "umbrella" Trust for schools in the partnership.

For the year under review, Howard of Effingham School had a soft federation with Thomas Knyvett College (TKC), a secondary school in Ashford and also a member of The Howard Partnership with a Memorandum of Agreement with the HPET. Services were provided to TKC by some staff employed at Howard of Effingham School.

From February 2013, Howard of Effingham School also provided services and support for Kenyngton Manor Primary School (KMS), a primary school in Ofsted's 'Special Measures' category. These included services provided to KMS by some staff employed at Howard of Effingham School.

On 1 December 2013 Kenyngton Manor School, previously a Local Authority Maintained School, became a Sponsored Academy within The Howard Partnership Trust.

The Howard Partnership Trust (HPT) was formed in January 2010 when Howard of Effingham School and Thomas Knyvett College became foundation schools within a shared Trust. The role of the Howard Partnership Trust (HPT) was changed in July 2011 when both schools converted to academy status, the governance activities were transferred to the HPET, to which HPT may nominate one trustee.

On 8 October 2013 The Howard Partnership Trust changed its name to The Howard Partnership Advisory Trust.

The Howard of Effingham School Charitable Trust exists to support the school by providing enhancements for students which would not otherwise be affordable.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Connected organisations, including related party relationships (continued)**

Howard of Effingham School belongs to and works closely with the Effingham Learning Partnership (ELP), a confederation of 11 local schools linked to Howard of Effingham School. The ELP manages the provision of children's services in support of education and promotes collaboration in learning, and aims to share information and best practice to improve life chances for children in Howard of Effingham School and its ELP schools.

### **OBJECTS AND AIMS**

For the year under review, the Trust's objects were specifically restricted to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

From 1 November 2013 the objects have been revised and expanded to incorporate activities undertaken as a Multi Academy Trust.

### **Objectives, Strategies and Activities**

The objectives, strategies and activities of Howard of Effingham School are outlined in the School Development Plan, renewed annually and monitored on a regular basis, typically termly.

### **Public Benefit**

The public benefit provided by the Trust is outlined in the Objects and Aims above. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting appropriate policies for the year.

## **ACHIEVEMENTS AND PERFORMANCE OF HOWARD OF EFFINGHAM SCHOOL**

Howard of Effingham School is in its second period of operation as an academy and once again achieved the forecast number of students. Total students in the year ended 31 August 2013 numbered 1,569 and the School had more than a full complement in all years but one. The total number of registered pupils of compulsory age on roll was 1,213 with an additional 356 students in the Sixth Form.

The School will continue to admit 240 students in each year.

The summer 2013 results continue to demonstrate academic excellence.

### **A Level**

- ◆ Students collectively achieved 12% of passes at A\* (compared to 11.2% in 2012 and 7.9% nationally in 2012)
- ◆ 31.3% of all subject passes were at grade A/A\* (compared to 29.8% in 2012 and 2012 national 27%)
- ◆ 59.4% of all grades were A\*-B (compared to 55.9% in 2012)

**ACHIEVEMENTS AND PERFORMANCE OF HOWARD OF EFFINGHAM SCHOOL**  
(continued)

**A Level (continued)**

- ◆ 80.6% of all grades were A\* to C (compared to 78% in 2012)
- ◆ 98.6% pass rate (compared to 99.1% in 2012 and 2012 national 98.0%)
- ◆ Average points score 364

**GCSE**

- ◆ 83% of Year 11 students gained 5 or more A\*-C grades including English and Maths (compared to 76% in 2012)
- ◆ 96% of Year 11 students achieved 5 or more A\*-C grades or equivalent (compared to 92% in 2012)
- ◆ 95.1% of students studying sciences achieved the equivalent of 2x A\*-C grades (2012, 94.4%)
- ◆ 45% of students qualified for the EBacc Qualification (compared to 44% in 2012) National figures are 16%
- ◆ 33% of all grades were at A/A\* (compared to 37% in 2012) National figures are 23.2%
- ◆ 77 students achieved over 580 points, that is equivalent to 10A\* grades
- ◆ Five students gained 10 or more A\* grades
- ◆ Average points score per entry 44.2
- ◆ Average Capped 8 score 376

In order to assure quality and secure continual improvement, the School undertakes regular monitoring and evaluation. All teachers are observed at least twice a year. Points for improvement are identified from all observations, including the very best.

There is an increasingly tight focus on monitoring performance data to identify how much progress is being made by students. This allows the School to highlight individuals or groups who may need additional support because they are not progressing as fast as they could.

Every year each faculty and year group undertakes a review on previous performance and plans for improvement. This culminates in a discussion with senior leaders. Outcomes from these discussions provide the basis for the whole school improvement priorities.

The School engages external consultants to review particular areas as necessary.

**ACHIEVEMENTS AND PERFORMANCE OF HOWARD OF EFFINGHAM SCHOOL**  
(continued)

The ever continuing focus of maintaining and raising standards is assured by a strong leadership, including a National Leader of Education, a National Leader of Governance and two Specialist Leaders of Education

**Going concern**

The School became part of The Howard Partnership Trust, a Multi-Academy Trust, on 1 November 2013. After making appropriate enquiries, the Trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**FINANCIAL REVIEW**

**Financial report for the year**

Most of the School's income is obtained from the Education Funding Agency (EFA) in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The grants received from the EFA and other government bodies during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

The School also received grants for fixed assets from the EFA. In accordance with the Statement of Recommended Practice (SORP 2005), Accounting and Reporting by Charities, such a grant is shown in the statement of financial activities if spent during the period as restricted income within the fixed assets funds. The balance sheet restricted fixed assets fund is reduced by expenditure equivalent to any depreciation charges over the expected useful life of the assets concerned.

The total income for the year was £9,085,503 (period to 31 August 2012 - £19,815,335 which included a transfer of balances from the Local Authority and the predecessor school of £10,024,830). Included within this balance was the General Annual Grant of £7,650,066 (period to 31 August 2012 - £8,839,247) (see note 1).

The excess of income over expenditure for the year, excluding the fixed assets fund and the pension reserve was £500,260 (period to 31 August 2012 - £183,456 excluding inherited balances).

At 31 August 2013, the School had total funds of £10,185,881 (2012 - £9,714,638). This was comprised of £9,123,706 (2012 - £8,823,055) of restricted funds and £1,062,175 (2012 - £891,583) of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £1,256,000 at 31 August 2013 (2012 - £1,276,000).

The results for the period are shown on page 22.

## **FINANCIAL REVIEW (continued)**

### **Financial and Risk Management Objectives and Policies**

The principal risk management objective of the School as stated in the Risk Management Policy is to minimise all identified risks as outlined in the risk register by frequent review and remedial actions where required

### **Principal Risks and Uncertainties**

The major risks to which the School is exposed are -

- ◆ Shortfalls in funding which have not been anticipated,
- ◆ Changes in funding formulae,
- ◆ Additional responsibilities imposed by Government,
- ◆ Government SEN Proposals,
- ◆ Government Curriculum Proposals,
- ◆ Financial liabilities arising from the age and condition of the buildings, and
- ◆ The cost of maintaining up to date and fully operational Information Technology infrastructure

### **Reserves Policy**

The Trustees have agreed a Reserves Policy and this is subject to annual review

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) was £1,062,175 at 31 August 2013 (2012 - £891,583) and is in accordance with the Trustees' policy whereby the Trustees' agree to set aside funds for significant planned projects that cannot be met by future income alone. Howard of Effingham School projects are detailed and prioritised in the School's Site Development Plan

The Trust had a pension scheme liability of £1,256,000 as at 31 August 2013 which forms part of restricted reserves. The disclosure does not mean that liability is already committed and is no longer available to the Trustees to further the Trust's objectives. Parliament has agreed, at the request of the Secretary of State for Education, in the event of academy closure, outstanding Local Government Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. In the short term, the cash flow impact of having a pension scheme liability may be that employer contributions may increase in order to reduce the liability.

### **Investment Policy**

The Trust does not have any material investments. The Trust's bank accounts are held with HSBC plc and the Trust operates both a current account and a business money manager account.

## Trustees' report 31 August 2013

### PLANS FOR FUTURE PERIODS

Howard of Effingham School will continue to improve the performance of its students at all levels as reflected in the mission statement "bringing out the best" as well as through activities in the School Development Plan. The School will continue its efforts to ensure students gain employment, training or a place in higher education once they leave and that all become good citizens. The School will also continue to maintain a fully-subscribed school and will continue to accept transfers from other schools into Years 7 to 13 where required and appropriate. The School has an excellent reputation for the personal development and well-being of its students and staff and this will continue to be a priority.

The School is investigating opportunities in connection with improving resources, including space available for students.

Howard of Effingham School is a designated National Support School and a registered academy sponsor. The School sponsored Kenyngton Manor Primary School, which became an academy within The Howard Partnership Trust on 1 December 2013. Both the Department of Education and Surrey County Council have requested the School to sponsor other schools in challenging circumstances as a matter of priority.

### AUDITORS

In so far as the Trustees are aware -

- ◆ there is no relevant audit information of which the Trust's auditor is unaware, and
- ◆ the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the members of the Trustees on 16 December 2013 and signed on its behalf by -



C Williamson  
Chair of Trustees

## **Governance statement 31 August 2013**

### **Scope of responsibility**

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

The board of Trustees has delegated the day-to-day responsibility to the Executive Head, 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 the Trust and the Secretary of State for Education. The Executive Head is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Governing Body, who were also the Trustees up until 31 October 2013, formally met nine times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Number of Governing Body meetings attended</b>	<b>Out of a possible</b>
Mrs R J Barnfield	9	9
Mr P Bush	7	9
Mrs J Dickinson	9	9
Mr P Entwistle	8	9
Mrs J Field	7	9
Dr K Halsey	8	9
Mrs S Maddox	8	9
Mr P Reid	3	3
Mr J Ripley	8	9
Mr A M Smith	9	9
Mr S Snashall	4	4
Mr P Stephen	4	7
Mr M Swyny	8	9
Mrs G Walker	7	9
Mrs K White	8	9
Mrs S Williams	9	9
Mr C Williamson	9	9
Dr T Wood	8	9

The Finance and Facilities Committee is a sub-committee of the main Governing Body.

In addition to the consideration of long-term planning and resourcing, the Finance and Facilities Committee is responsible for the review of the management of internal financial controls, risk management and corporate governance within Howard of Effingham School. This Committee also has responsibility for monitoring resourcing to ensure the delivery of the overall strategic plan and for the review of financial policies. Monitoring the implementation and effectiveness of all matters relating to School Health and Safety also fall within the terms of reference of the Finance and Facilities Committee.

## Governance statement 31 August 2013

### Governance (continued)

The Committee has formally met three times during the year Attendance at meetings in the year was as follows

Governor	Number of meetings attended	Out of a possible
Mrs R J Barnfield	3	3
Mr P Entwistle	3	3
Mrs S Maddox	3	3
Mr P Reid	1	1
Mr J Ripley	2	3
Mr S Snashall	1	1
Mr P Stephen	1	2
Mrs S Williams	3	3
Dr T Wood	2	3

### 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 Howard of Effingham School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically The system of internal control has been in place at the Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements

### Capacity to handle risk

The Trustees have 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 Trustees are of the view that there is an on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements This process is regularly reviewed by the Trustees Risk training has been provided for all Senior Leaders across The Howard Partnership by a Chartered Accountant specialising in risk management

### 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 Trustees,
- ♦ regular reviews by the Finance and Facilities 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,



**The risk and control framework (continued)**

- ♦ clearly defined purchasing (asset purchase or capital investment) guidelines,
- ♦ delegation of authority and segregation of duties, and
- ♦ identification and management of risks

The Trustees considered the need for a specific internal audit function and decided not to appoint an internal auditor during the period under review. However, the Trustees have appointed the external auditor to provide advice on financial matters and to perform a range of checks on the Trust's financial systems. On a termly basis, the external auditor reported to the Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

**Review of effectiveness**

As Accounting Officer, the Executive Head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has taken account of

- ♦ the work of the external auditor,
- ♦ the financial management and governance self-assessment process, and
- ♦ the work of the Senior Leadership Team within Howard of Effingham School who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of Trustees and signed on their behalf by



C Williamson  
Chair of Trustees



R J Barnfield  
Executive Head and Accounting Officer

Approved on 16/12/13

**Statement of regularity, propriety and compliance 31 August 2013**

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

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

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



R J BARNFIELD  
Accounting Officer

Date 16/12/13

## Statement of Trustees' responsibilities 31 August 2013

The Trustees (who in the period under review acted as Governors of Howard of Effingham School and are also the Directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to

- ♦ select suitable accounting policies and then apply them consistently,
- ♦ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP),
- ♦ make judgments and estimates that are reasonable and prudent,
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation

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

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

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

Approved by order of the members of the Board of Trustees on 16 December 2013 and signed on its behalf by

  
C. WILLIAMSON  
Chair of Trustees

## **Independent auditor's reports 31 August 2013**

### **Independent auditor's report on the financial statements to the members of The Howard Partnership Trust**

We have audited the financial statements of The Howard Partnership Trust for the year ended 31 August 2013 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

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

#### **Respective responsibilities of Trustees and auditor**

The Trustees are also the Directors of the Trust for the purpose of company law.

As explained more fully in the statement of Trustees' responsibilities set out in the Trustees' report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

**Independent auditor's reports** 31 August 2013

**Opinion**

In our opinion

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

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

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

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

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



Simon Goodridge, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

19/12/13

**Independent reporting auditor's assurance report on regularity to The Howard Partnership Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 4 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Howard Partnership Trust during the period from 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

**Respective responsibilities of The Howard Partnership Trust's Accounting Officer and the reporting auditor**

The Accounting Officer is responsible, under the requirements of The Howard Partnership Trust's funding agreement with the Secretary of State for Education dated 27 June 2011 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether 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 from 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

## Independent auditor's reports 31 August 2013

### Approach (continued)

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 assessment of the risk of material irregularity and impropriety across all of the Trust's activities,
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary, and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion

### 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 from 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

19/12/13

**Statement of financial activities** Year to 31 August 2013  
(Including income and expenditure account and statement of recognised gains and losses)

		Unrestricted general fund £	Restricted funds			Year to 31 August 2013 Total funds £	17 month period to 31 August 2012* Total funds £
			EFA £	Other £	Fixed assets fund £		
<b>Incoming resources</b>							
Incoming resources from generated funds							
Voluntary income	2	70,080	—	50,690	—	120,770	135,958
Voluntary income - transfers on conversion		—	—	—	—	—	10,024 830
Activities for generating funds	3	690,166	—	—	—	690,166	486,671
Incoming resources from charitable activities							
Funding for the academy's educational operations	4	—	7,799,751	277,840	196,976	8,274,567	9,167,876
<b>Total incoming resources</b>		<b>760,246</b>	<b>7,799,751</b>	<b>328,530</b>	<b>196,976</b>	<b>9,085,503</b>	<b>19,815,335</b>
<b>Resources expended</b>							
Cost of generating funds							
Activities for generating funds	5	146,014	—	—	—	146,014	156,374
Charitable activities							
Academy's educational operations	6	440,491	7,431,057	351,911	275,993	8,499,452	9,709,797
Governance costs	7	—	18,794	—	—	18,794	18,526
<b>Total resources expended</b>	5	<b>586,505</b>	<b>7,449,851</b>	<b>351,911</b>	<b>275,993</b>	<b>8,664,260</b>	<b>9,884,697</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>173,741</b>	<b>349,900</b>	<b>(23,381)</b>	<b>(79,017)</b>	<b>421,243</b>	<b>9,930,638</b>
<b>Gross transfers between funds</b>	14	<b>(3,149)</b>	<b>(95,604)</b>	<b>23,215</b>	<b>75,538</b>	<b>—</b>	<b>—</b>
<b>Other recognised gains and losses</b>							
Actuarial gains (losses) on defined benefit pension scheme	21	—	50,000	—	—	50,000	(216,000)
<b>Net movement in funds</b>		<b>170,592</b>	<b>304,296</b>	<b>(166)</b>	<b>(3,479)</b>	<b>471,243</b>	<b>9,714,638</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September 2012		891,583	(1,233,968)	62,456	9,994,567	9,714,638	—
<b>Fund balances carried forward at 31 August 2013</b>		<b>1,062,175</b>	<b>(929,672)</b>	<b>62,290</b>	<b>9,991,088</b>	<b>10,185,881</b>	<b>9,714,638</b>

\* The Trust was active for 14 months of the prior period following Academy conversion on 1 July 2011

All of the Trust's activities derived from activities acquired in the prior financial period

A separate Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities



# **Balance sheet 31 August 2013**

	Notes	2013 £	2013 £	2012 £	2012 £
<b>Fixed assets</b>					
Tangible fixed assets	11		9,960,037		9,963,854
<b>Current assets</b>					
Debtors	12	422,593		436,665	
Cash at bank and in hand		1,432,003		1,140,724	
		<u>1,854,596</u>		<u>1,577,389</u>	
<b>Creditors</b> amounts falling due within one year	13	(372,752)		(550,605)	
<b>Net current assets</b>			<u>1,481,844</u>		<u>1,026,784</u>
<b>Total assets less current liabilities</b>			<b>11,441,881</b>		<b>10,990,638</b>
<b>Net assets excluding pension scheme liability</b>			<b>11,441,881</b>		<b>10,990,638</b>
Pension scheme liability	21		(1,256,000)		(1,276,000)
<b>Net assets including pension scheme liability</b>			<u><b>10,185,881</b></u>		<u><b>9,714,638</b></u>
<b>Funds of the Trust</b>					
Restricted funds					
Fixed assets fund	14		9,991,088		9,994,567
EFA fund	14		326,328		42,032
Pension reserve	14		(1,256,000)		(1,276,000)
Other funds	14		62,290		62,456
			<u>9,123,706</u>		<u>8,823,055</u>
Unrestricted funds					
General fund	14		1,062,175		891,583
<b>Total funds</b>			<u><b>10,185,881</b></u>		<u><b>9,714,638</b></u>

The financial statements on pages 22 to 43 were approved by the Trustees, and authorised for issue on 16 December 2013 and are signed on their behalf by



C Williamson  
Chair

The Howard Partnership Trust (formerly Howard of Effingham School)  
Company Limited by Guarantee  
Registration Number 07597068 (England and Wales)

## Cash flow statement Year to 31 August 2013

	Notes	Year to 31 August 2013 £	17 month period to 31 August 2012 £
<b>Net cash inflow from operating activities</b>	17	<b>384,618</b>	372,308
Cash transferred on academy conversion		—	908,360
Capital expenditure	18	(93,339)	(139,944)
<b>Increase in cash in the period</b>	19	<b>291,279</b>	1,140,724
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2012		1,140,724	—
<b>Net funds at 31 August 2013</b>		<b>1,432,003</b>	1,140,724

All of the cash flows derived from activities acquired in the prior financial period

## **Principal accounting policies 31 August 2013**

### **Basis of Preparation**

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

### **Going Concern**

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

### **Incoming Resources**

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

### **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

### **Donations**

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

### **Other income**

Other income is recognised in the period it is receivable.

### **Gifts in kind**

The value of gifts in kind provided to the Trust are recognised at a valuation attributed by the Trustees in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured.

## Principal accounting policies 31 August 2013

### **Resources Expended**

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

### **Costs of generating funds**

These are costs incurred in attracting voluntary income.

### **Charitable activities**

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

### **Governance Costs**

These include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee/Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

### **Tangible Fixed Assets**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold buildings	2% per annum
Fixtures, fittings and equipment	10-20% per annum
Computer equipment	33% per annum

Depreciation is charged from the month of acquisition.

## Principal accounting policies 31 August 2013

### **Tangible Fixed Assets (continued)**

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

### **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.

### **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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 21, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

## Principal accounting policies 31 August 2013

### **Fund Accounting**

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

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

*Restricted EFA funds* comprise all other grants received from the Education Funding Agency

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Surrey County Council

## Notes to the Financial Statements Year to 31 August 2013

### 1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Trust has not exceeded these limits at 31 August 2013.

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	17 month period to 31 August 2012 Total funds £
Other Donations	70,080	50,690	120,770	135,958

### 3 Activities for Generating Funds

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	17 month period to 31 August 2012 Total funds £
School trips & activities	450,032	—	450,032	263,798
Hire of facilities	44,637	—	44,637	47,702
Catering income	14,884	—	14,884	18,717
Contributions received for Federation activity	143,800	—	143,800	78,750
Educational Consultancy Services	9,166	—	9,166	33,384
Miscellaneous income	27,647	—	27,647	44,320
	690,166	—	690,166	486,671

# Notes to the Financial Statements Year to 31 August 2013

## 4 Funding for academy's educational operations

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	17 month period to 31 August 2012 Total funds £
<b>DfE / EFA revenue grant</b>				
General Annual Grant (GAG) (note 1)	—	7,650,066	7,650,066	8,839,247
Other DfE / EFA	—	149,685	149,685	54,784
	—	7,799,751	7,799,751	8,894,031
<b>DfE/ EFA capital grants</b>	—	196,976	196,976	30,713
<b>Other government grants</b>				
Local authority grants	—	265,735	265,735	235,342
16-19 bursary funding	—	12,105	12,105	7,790
	—	277,840	277,840	243,132
	—	8,274,567	8,274,567	9,167,876

## 5 Resources expended

	Non pay expenditure			Year to 31 August 2013 Total funds £	17 month period to 31 August 2012 Total funds £
	Staff costs £	Premises £	Other costs £		
<b>Cost of generating funds</b>					
Cost of activities for generating funds	134,241	—	11,773	146,014	156,374
Charitable activities					
School's educational operations					
Direct costs	5,574,846	—	1,000,571	6,575,417	7,549,516
Allocated support costs	695,589	830,601	397,845	1,924,035	2,160,281
	6,270,435	830,601	1,398,416	8,499,452	9,709,797
<b>Governance costs</b>	—	—	18,794	18,794	18,526
	6,404,676	830,601	1,428,983	8,664,260	9,884,697



## Notes to the Financial Statements Year to 31 August 2013

### 5 Resources expended (continued)

	Year to 31 August 2013 Total funds £	17 month period to 31 August 2012 Total funds £
<b>Net incoming (outgoing) resources before transfers are stated after charging</b>		
Operating lease charges	19,123	29,978
Fees payable to auditor		
Statutory audit	7,725	7,500
Non statutory audit	2,000	1,750
Other services – current year	4,523	4,775
Other services – prior year under accrual	3,075	—

### 6 Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	17 month period to 31 August 2012 Total funds £
<b>Direct costs</b>				
Teaching and educational support staff costs	—	5,574,846	5,574,846	6,592,470
Educational supplies	440,491	287,733	728,224	641,805
Examination fees	—	183,211	183,211	215,315
Staff development	—	32,833	32,833	29,643
Educational consultancy	—	52,011	52,011	66,906
Other direct costs	—	4,292	4,292	3,377
	440,491	6,134,926	6,575,417	7,549,516
<b>Allocated support costs</b>				
Support staff costs	—	695,589	695,589	787,171
Depreciation	—	275,993	275,993	308,361
Recruitment and support	—	61,906	61,906	31,901
Maintenance of premises and equipment	—	132,665	132,665	189,605
Cleaning	—	121,697	121,697	138,691
Rent and rates	—	69,728	69,728	62,741
Utilities	—	135,658	135,658	122,544
Insurance	—	94,860	94,860	144,752
Security and transport	—	30,695	30,695	33,560
Catering	—	46,351	46,351	63,799
Bank interest and charges	—	899	899	741
Other support costs	—	257,994	257,994	276,415
	—	1,924,035	1,924,035	2,160,281
	440,491	8,058,961	8,499,452	9,709,797

## Notes to the Financial Statements Year to 31 August 2013

### 7 Governance costs

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	17 month period to 31 August 2012 Total funds £
Legal and professional fees	—	1,471	1,471	4,501
Auditor's remuneration				
Audit of financial statements	—	7,725	7,725	7,500
Other audits	—	2,000	2,000	1,750
Responsible Officer services	—	1,500	1,500	2,100
Other audit costs	—	6,098	6,098	2,675
	—	18,794	18,794	18,526

### 8 Staff costs

Staff costs during the period were

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	17 month period to 31 August 2012 Total funds £
Wages and salaries	109,906	5,111,387	5,221,293	6,160,106
Social security costs	7,710	358,592	366,302	419,823
Pension costs	16,624	773,141	789,765	936,035
	134,240	6,243,120	6,377,360	7,515,964
Supply teacher costs	—	27,316	27,316	5,609
Compensation payments	—	—	—	11,500
	134,240	6,270,436	6,404,676	7,533,073

Staff costs are net of £238,163 (period to 31 August 2012 - £161,029) recharged to Thomas Knyvett College for administration and curriculum support

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

Charitable activities	2013 No	2012 No
Teachers	93	104
Administration and support	60	48
Management	9	10
	162	162

Teacher numbers in the prior period included additional staff to provide maternity cover

## Notes to the Financial Statements Year to 31 August 2013

### 8 Staff costs (continued)

The number of employees whose annualised emoluments fell within the following bands was

	2013 No	2012 No
£60,001 - £70,000	3	4
£70,001 - £80,000	2	1
£120,001 - £130,000	—	1
£130,001 - £140,000	1	—

All of the above employees participated in the Teachers' Pension Scheme or the Local Government Pension Scheme. During the year ended 31 August 2013 pension contributions for these staff amounted to £70,962 (period ended 31 August 2012 - £80,486)

### 9 Trustees' remuneration and expenses

The Executive Head and staff Trustees only receive remuneration in respect of services provided undertaking the roles of Executive Head and members of staff and not in respect of services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their roles as Trustees. C Williamson received £1,800 in respect of services to a Government agency. The value of Trustees' remuneration for the year ended 31 August 2013 was as follows

	Year to 31 August 2013 £'000	17 month period to 31 August 2012 £'000
R Barnfield, Executive Head	130-135	145-150
K Halsey, Staff Trustee	40-45	45-50
P Reid, Staff Trustee	25-30	30-35
S Snashell, Staff Trustee	40-45	—

During the year ended 31 August 2013, Trustees' travel and subsistence expenses totalled £2,677 for 5 Trustees (period ended 31 August 2012 - £1,867 for 3 Trustees)

Other related party transactions involving the Trustees are set out in note 22

### 10 Trustees' and Officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £114 (period ended 31 August 2012 - £133)

## Notes to the Financial Statements Year to 31 August 2013

### 11 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Total funds £
<b>Cost/valuation</b>			
At 1 September 2012	10,000,000	272,215	10,272,215
Additions	—	272,176	272,176
At 31 August 2013	10,000,000	544,391	10,544,391
<b>Depreciation</b>			
At 1 September 2012	233,333	75,028	308,361
Charge in year	200,000	75,993	275,993
At 31 August 2013	433,333	151,021	584,354
<b>Net book value</b>			
At 31 August 2013	9,566,667	393,370	9,960,037
At 31 August 2012	9,766,667	197,187	9,963,854

The freehold land and buildings relate to the Howard of Effingham School site at Lower Road. At 31 August 2013 the site is designated for educational purposes only, the land has no open market value and hence the value in these financial statements relates to the school buildings only, which are included at a depreciated replacement cost valuation.

The fixed assets fund also includes £31,051 (2012 - £30,713) of capital grants held as cash at the year end.

### 12 Debtors

	2013 £	2012 £
Trade debtors	194,947	194,483
Prepayments	88,312	155,741
VAT Debtor	48,226	17,234
Other debtors and accrued income	91,108	69,207
	<b>422,593</b>	<b>436,665</b>

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

	2013 £	2012 £
Trade creditors	118,414	147,896
Other taxation and social security	121,748	124,696
Other creditors	—	9,899
Accruals and deferred income	132,590	268,114
	<b>372,752</b>	<b>550,605</b>

## Notes to the Financial Statements Year to 31 August 2013

### 13 Creditors amounts falling due within one year (continued)

	2013 £	2012 £
<b>Deferred income</b>		
Deferred Income at 1 September 2012	84,876	—
Resources deferred in the period	29,687	84,876
Amounts released from previous periods	(84,876)	—
Deferred Income at 31 August 2013	29,687	84,876

Deferred income of £29,687 relates to income received in the year for school trips that are taking place in the year ended 31 August 2014 and funding received in advance for the year 2013/14

### 14 Funds

	Balance at 1 September 2012 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2013 £
<b>EFA revenue grant fund</b>					
General Annual Grant (GAG)	42,032	7,650,066	(7,270,166)	(95,604)	326,328
Other EFA grants	—	149,685	(149,685)	—	—
	42,032	7,799,751	(7,419,851)	(95,604)	326,328
Pension reserve	(1,276,000)	—	(30,000)	50,000	(1,256,000)
	(1,233,968)	7,799,751	(7,449,851)	(45,604)	(929,672)
<b>Fixed assets fund</b>					
EFA capital grants	30,713	196,976	—	(196,638)	31,051
Academy building and furniture and equipment	9,963,854	—	(275,993)	272,176	9,960,037
	9,994,567	196,976	(275,993)	75,538	9,991,088
<b>Other funds</b>					
Local Authority grants	—	265,735	(265,735)	—	—
16-18 Bursary fund	3,952	12,105	(7,288)	—	8,769
Other restricted grants	58,504	50,690	(78,888)	23,215	53,521
	62,456	328,530	(351,911)	23,215	62,290
<b>Total restricted funds</b>	8,823,055	8,325,257	(8,077,755)	53,149	9,123,706
<b>Unrestricted funds</b>					
Unrestricted funds	891,583	760,246	(586,505)	(3,149)	1,062,175
<b>Total unrestricted funds</b>	891,583	760,246	(586,505)	(3,149)	1,062,175
<b>Total funds</b>	9,714,638	9,085,503	(8,664,260)	50,000	10,185,881

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

#### **EFA revenue grant fund and other restricted funds**

These grants relate to the Trust's educational operations and development

## Notes to the Financial Statements Year to 31 August 2013

### 14 Funds (continued)

#### General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 1 discloses whether the limit was exceeded.

#### Fixed asset fund

This fund represents the tangible fixed assets of the Trust including unspent grants received from the EFA, together with contributions from other funds, in order to carry out work of a capital nature.

#### Pension reserve

The pension reserve relates to the Trust's Local Government Pension Scheme liability for support staff.

### 15 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2013 £	Total 2012 £
<b>Fund balances at 31 August 2013 are represented by</b>					
Tangible fixed assets	—	—	9,960,037	<b>9,960,037</b>	9,963,854
Current assets	1,094,003	729,542	31,051	<b>1,854,596</b>	1,577,389
Current liabilities	(31,828)	(340,924)	—	<b>(372,752)</b>	(550,605)
Pension scheme liability	—	(1,256,000)	—	<b>(1,256,000)</b>	(1,276,000)
<b>Total net assets</b>	<b>1,062,175</b>	<b>(867,382)</b>	<b>9,991,088</b>	<b>10,185,881</b>	9,714,638

### 16 Financial commitments

#### Operating leases

At 31 August 2013, the Trust had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Expiry within one year	<b>4,431</b>	3,544
Expiry within two and five years inclusive	<b>14,692</b>	4,431

## Notes to the Financial Statements Year to 31 August 2013

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

	Year to 31 August 2013 £	17 month period to 31 August 2012 £
Net income	421,243	9,930,638
Inherited pension deficit	—	1,048,000
Cash transferred on conversion	—	(908,360)
Inherited tangible fixed assets	—	(10,164,470)
Depreciation (note 11)	275,993	308,361
Capital grants from DfE and other capital income	(196,976)	(30,713)
Assets below capitalisation threshold purchased	18,139	62,912
FRS 17 pension cost less contributions payable (note 21)	(12,000)	(45,000)
FRS 17 pension finance cost (note 21)	42,000	57,000
Decrease (increase) in debtors	14,072	(436,665)
(Decrease) increase in creditors	(177,853)	550,605
<b>Net cash inflow from operating activities</b>	<b>384,618</b>	<b>372,308</b>

### 18 Capital expenditure and financial investment

	Year to 31 August 2013 £	17 month period to 31 August 2012 £
Purchase of tangible fixed assets	(272,176)	(107,745)
Capital grants from DfE / EFA	196,976	30,713
Assets below capitalisation threshold purchased	(18,139)	(62,912)
<b>Net cash outflow from capital expenditure and financial investments</b>	<b>(93,339)</b>	<b>(139,944)</b>

### 19 Analysis of changes in net funds

	At 1 September 2012 £	Cashflows £	At 31 August 2013 £
Cash in hand and at bank	1,140,724	291,279	1,432,003

### 20 Members' Liability

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

**21 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 Surrey County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS at 31 March 2010.

Contributions amounting to £nil (2012 - £nil) were payable to the schemes at 31 August 2013.

**Teachers' Pension Scheme (TPS)**

*Introduction*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

*The Teachers' Pension Budgeting and Valuation Account*

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

*Valuation of the Teachers' Pension Scheme*

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution,



**21 Pension and similar obligations (continued)**

**Teachers' Pension Scheme (TPS) (continued)**

*Valuation of the Teachers' Pension Scheme (continued)*

expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

*Teachers' Pension Scheme Changes*

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

## 21 Pension and similar obligations (continued)

### Teachers' Pension Scheme (TPS) (continued)

#### *Teachers' Pension Scheme Changes (continued)*

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and 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 (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £359,000 (period to 31 August 2012 - £368,000), of which employer's contributions totalled £279,000 (period to 31 August 2012 - £287,000) and employees' contributions totalled £80,000 (period to 31 August 2012 - £81,000).

Principal Actuarial Assumptions	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	5.1%	4.5%
Rate of increase for pensions in payment / inflation	2.8%	2.2%
Discount rate for scheme liabilities	4.6%	4.1%
Inflation assumption (CPI)	2.9%	2.9%

**Notes to the Financial Statements** Year to 31 August 2013

**21 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

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

	At 31 August 2013	At 31 August 2012
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.0	24.0
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	25.9	25.9

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

	Expected return at 31 August 2013	Fair value at 31 August 2013 £'000	Expected return at 31 August 2012	Fair value at 31 August 2012 £'000
Equities	6.6%	1,218	5.5%	768
Bonds	3.9%	273	3.4%	203
Property	4.7%	80	3.7%	53
Cash	3.6%	32	2.8%	43
Total market value of assets		1,603		1,067
Present value of scheme liabilities		(2,859)		(2,343)
Deficit in the scheme		(1,256)		(1,276)

The actual gain on scheme assets was £176,000 (31 August 2012 - £10,000)

Amounts recognised in statement of financial activities	2013 £	2012 £
Current service costs (net of employee contributions)	260,000	242,000
Losses on curtailment	7,000	—
Total operating charge	267,000	242,000

**Analysis of pension finance income / (costs)**

Expected return on pension scheme assets	61,000	66,000
Interest on pension liabilities	(103,000)	(123,000)
Pension finance costs	(42,000)	(57,000)

**Notes to the Financial Statements** Year to 31 August 2013

**21 Pension and similar obligations (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £166,000 (2012 - £216,000)

<b>Movements in the overall deficit were as follows</b>	<b>2013 £</b>	<b>2012 £</b>
At 1 September 2012	1,276,000	—
Deficit on conversion	—	1,048,000
Current service cost	260,000	242,000
Losses on curtailment	7,000	—
Employer contributions	(279,000)	(287,000)
Net finance interest	42,000	57,000
Actuarial (gain)/loss	(50,000)	216,000
<b>At 31 August 2013</b>	<b>1,256,000</b>	<b>1,276,000</b>

<b>Movements in the present value of defined benefit obligations were as follows</b>	<b>2013 £</b>	<b>2012 £</b>
At 1 September 2012	2,343,000	—
Deficit on conversion	—	1,738,000
Current service costs	260,000	242,000
Losses on curtailment	7,000	—
Interest costs	103,000	123,000
Employee contributions	80,000	81,000
Actuarial loss	66,000	159,000
<b>At 31 August 2013</b>	<b>2,859,000</b>	<b>2,343,000</b>

<b>Movements in the fair value of Trust's share of scheme assets</b>	<b>2013 £</b>	<b>2012 £</b>
At 1 September 2012	1,067,000	—
As at conversion	—	690,000
Expected return on assets	61,000	66,000
Actuarial gain/(loss)	116,000	(57,000)
Employer contributions	279,000	287,000
Employee contributions	80,000	81,000
<b>At 31 August 2013</b>	<b>1,603,000</b>	<b>1,067,000</b>

The estimated value of the employer contributions for the year ended 31 August 2014 is £295,000 (year ended 31 August 2013 - £255,000)

**Notes to the Financial Statements** Year to 31 August 2013

**21 Pension and similar obligations (continued)**

The experience adjustments are as follows

	2013 £	2012 £
<b>Present value of defined benefit obligations</b>	<b>(2,859,000)</b>	<b>(2,343,000)</b>
<b>Fair value of share scheme assets</b>	<b>1,603,000</b>	<b>1,067,000</b>
<b>Deficit on the scheme</b>	<b>1,256,000</b>	<b>1,276,000</b>
 <b>Experience adjustments on share of scheme assets</b>		
Amount	116,000	(57,000)
 <b>Experience adjustments on scheme liabilities</b>		
Amount	—	—

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 scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**22 Related party transactions**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have 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.

**23 Events after the balance sheet date**

After the year end, on 8 October 2013, the Trust changed its name from Howard of Effingham School to The Howard Partnership Trust.

From 1 November 2013 The Howard Partnership Trust became a Multi Academy Trust. Howard of Effingham School and Thomas Knyvett College are academies within the Multi Academy Trust.

On 1 December 2013 Kenyngton Manor Primary School became a sponsored academy within the Multi Academy Trust.