

Company Registration No. 07837770 (England and Wales)

**THE EXCEL ACADEMY PARTNERSHIP  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2019**



# THE EXCEL ACADEMY PARTNERSHIP

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# THE EXCEL ACADEMY PARTNERSHIP

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

A Hopgood  
D Cromarty  
K Cromarty  
M Fleming  
S Scott

### Trustees

A J Hopgood (Chair) (Appointed 1 September 2018)  
K Cromarty  
P R Stewart (Resigned 7 December 2018)  
A F Darnell  
R McLauchlan  
M P Fleming  
R Warneford  
C Hillary (Appointed 1 September 2018)  
K Passmore (Appointed 1 September 2018)

### Senior leadership team

- Head Teacher	A Byers (Accounting Officer)
- Deputy Head Teacher	J Rayson
- Business Director	W Pattison (Chief financial officer)
- Assistant Head Teacher	H Machin
- Assistant Head Teacher	F Ward
- Assistant Head Teacher	G Scott
- Director of Safeguarding	L Brookes

### Company registration number

07837770 (England and Wales)

### Registered office

Newton Drive  
Durham  
DH1 5BQ

### Independent auditor

Baldwins Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

### Bankers

Lloyds Bank plc  
19 Market Place  
Durham  
County Durham  
DH1 3NL

### Solicitors

Womble Bond Dickinson  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
Tyne & Wear  
NE1 3DX

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2018 – 31st August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 - 18 serving an extensive area around central Durham. It has a pupil capacity of 1,348 and had a roll of 1118 in September 2018. This role is rapidly expanding and in September 2019 is expecting to have approximately 1254 students.

### **Structure, governance and management**

#### Constitution

The academy 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 academy trust. The Directors of Excel Academy Partnership are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Excel Academy Partnership.

The trust was formed as a Multi-Academy Trust which has the infrastructure to govern a family of schools through their Local Governing Boards. At present, the trust has responsibility for one secondary school, Framwellgate School Durham, and has a vision for expansion within a few years. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### Members' liability

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

#### Trustees' indemnities

The academy has purchased a risk management arrangement to protect trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy business. This is included in the DfE RPA scheme.

#### Method of recruitment and appointment or election of trustees

The term of office for any Director shall be 4 years, save that this time limit shall not apply to the Principal or any post held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected. Any Chair or Vice Chair to any Board or Committee shall have a term of office of one year, which will be considered for re-election on an annual basis.

Recruitment of Trustees follows protocols outlined in the Standing Orders approved by the Board. When new Trustees are sought to fill a vacancy, the Nominations Committee shall consider any suggested nominations made by serving Trust Board Trustees, or by holders of senior posts, or through such other channels as it thinks fit and in line with the terms of reference for the organisation. Having reached the conclusion of its deliberations regarding any particular vacancy, the Nominations Committee shall report its findings to the Trust Board, including in confidence the names of those persons whom it has considered, and shall recommend the preferred nominee(s) for appointment. It shall be for Members and Trustees of the Trust Board, in accordance with the Memorandum of Association, to consider and determine new appointments.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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

The training and induction provided for new trustees depends on their existing experience. Where necessary induction and training is provided on a range of subject areas including charity, educational, legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. A new induction manual for Trustees and Governors has been developed during the year for implementation in September 2019. The Trust has a developed governance training programme, in line with work also undertaken by the Local Governing Board. This has taken account of skills, and knowledge gaps. The local governing board and Trust undertook a skills audit and has a targeted training schedule in place which will help to address any gaps in knowledge. Trustees of the Trust Board have undertaken specific targeted training to further strengthen overall and specific areas of knowledge. More details around governance, skills and training are available on the dedicated governance page on the school website at [www.framdurham.com](http://www.framdurham.com). Training has included financial management, teaching and learning and curriculum based sessions.

### Organisational structure

The governance and leadership structure within the Academy Trust consist of three levels: the Trust Board, the Local Governing Board of schools within the multi-academy trust (presently Framwellgate School Durham) and the senior leadership team, supported by the local workforce. The aim of the management structure is to provide a clear framework of accountability, encouraging involvement in strategic decision making at all levels.

The Head teacher of Framwellgate School Durham and the senior leadership team are responsible for supporting the Academy Trust at an executive level, implementing policies laid down by the trustees and reporting back to them. The sub committee structure facilitates this. As a group the senior leadership team are bound by the Academy Trust's scheme of delegation, which provides a clear framework for the delegation of authority and responsibility within the organisation. The scheme of delegation and supporting terms of reference and standing orders were reviewed across the year and updated to reflect amendments to the Academies Financial Handbook, and best practise operated within the Academy.

### Arrangements for setting pay and remuneration of key management personnel

Pay is determined in line with the Academy's pay policy which is reviewed and ratified annually by the Personnel Committee of the Trust Board. The pay policy for teaching and leadership staff complies with Teachers' Pay and Conditions, and performance related increments are based on successful performance achieved through the application of the Academy appraisal system. Support staff pay has already undergone a thorough job evaluation process, with any new positions or significant changes to roles mid year being job evaluated to ensure consistency of grade and responsibility. Support staff pay, including for senior leadership posts, is applied in line with Green Book pay and conditions, and is not performance related. The Academy does not pay governors or trustees.

### Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2018, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The Excel Academy Partnership did not employ any union officials who undertook official union duties during 2018-19. As a result there is no cost or time associated with such responsibilities during the financial year.

### Related parties and other connected charities and organisations

There are no related parties or other connected charities or organisations linked with Framwellgate School Durham.

All details are stated in note 23 to the Financial Statements.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Objectives and activities

##### Objects and aims

The principal object and activity of the charitable company is the operation of Framwellgate School Durham to provide education for students of all abilities between the ages of 11 and 18.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

##### Objectives, strategies and activities

The main objectives of the academy during the year ended 31 August 2019 was to:

- Improve educational experience and outcomes for all groups of learners and build on the rapid successes made in student outcomes in 2017-18
- Embed changes made to the curriculum, implemented in September 2018.
- Improve attendance of all learners
- Improve SEND provision
- Prepare the building and staffing structure for a significant increase in student numbers in 2019
- Embed Integrated curriculum and financial planning to prepare for the increased intake of students
- Improve the environment

This year has seen significant changes made at Framwellgate School Durham in order to achieve this, and the recent Ofsted monitoring inspection in August 2019 recognised the improvement journey which the school is on, and the significant improvements achieved across the academic year.

During the year, key changes have been:

- The introduction of a new curriculum and assessment framework from September 2018
- The introduction of a new "enrichment week" accessible by all students
- A focus on improvements to behaviour management engaging with experts in the field of behaviour management to embed strategies
- The appointment of a behaviour management lead, and new SENDCO to address key priorities in the school improvement plan
- The further development of ICFP models to ensure a lean curriculum model which is affordable, and supports the rapid student growth and school expansion
- The successful negotiation with the ESFA and DFE to move to a real time funding agreement for 1-2 years from September 2019 to support the rapid and significant growth in student numbers.
- Expansion of our parent, feeder schools and community links
- Strategic improvements made to the internal environment, and capacity/expansion project in readiness for increased intake in September

#### Objects and Aims

The academy's main objectives are encompassed in its mission statement which is:

Excellence, compassion and respect for all

"Our school promotes academic excellence and embraces the shared values of honesty, integrity, respect and compassion. We want our students to be ambitious, kind, resilient and hardworking, and have a genuine passion for learning. We want them to change the world with the knowledge, skills and confidence they have learned here; to champion fairness, build friendships for life, and have pride in our school. Above all, we want our students to be happy."

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The key improvement priorities identified in 2018-19 continued to centre around:

- Y11 and Y13 outcomes
- improving attendance/reducing persistent absenteeism
- improving behaviour and reducing litter
- the provision for and outcomes of disadvantaged students
- the provision for and outcomes of SEND students

#### Public benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the trustees have considered this guidance in deciding what activities the academy should undertake.

## **Strategic report**

### **Achievements and performance**

Outcomes for the academic year 2018/19 continued to build on the significant improvements made last year. Some of the key indicators represent the academy's best ever performance.

In the Sixth Form, our average grade per entry at A Level was B-, up from a C+ in 2017/18. We expect progress figures, once published, to match those achieved last year, which were the highest in County Durham. We also had a very positive set of vocational results in the Sixth Form with an average grade of Distinction-, matching last year's figures with a much larger cohort.

At GCSE level, the percentage of students achieving a 4+ in English and Maths continued to improve from 66% in 2017, 74% last year, and 76%, our best performance yet, this summer. The percentage of all exam entries graded 4 improved for the third year in succession and is now 82% (79% in 2018). The percentage of all entries graded 5+ and 7+ remained broadly static.

There were some very strong performances in individual subjects. 90% of students achieved a 4+ in English (the joint highest in County Durham), up from 84% in 2017 and 86% in 2018. Attainment figures in PE, RE, Design Technology, computing, and German all improved significantly on last year. Progress was particularly strong in Food, Design Tech, RE, PE, German, Computing, Art and English Literature.

There were some disappointments, and the academy is continuing to improve outcomes for all learners, particularly disadvantaged students, girls, and some pupils with high prior attainment. We continue to make improvements to our systems and processes. Student numbers are up 25% in two years, and we have appointed 22 new members of staff in September 2019 as a consequence. We are hugely oversubscribed in Year 7, taking 260 students against an admission number of 225.

Our key improvement priorities this year are:

- to continue to implement quality first, evidenced-based teaching and the knowledge rich curriculum
- to improve literacy
- to reduce teacher workload and focus on the things which matter most; in particular to introduce our new feedback and homework policies

Staff and students continue to work extremely hard. These efforts, coupled with a better, more evidence-based approach to teaching, should lead to further improvements in the coming years.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Key performance indicators

To ensure our ongoing success and improvement, key performance indicators include regular reporting through senior leadership teams and the governing board and Trust Board through a well-structured meetings schedule.

The school has developed a bespoke monthly finance outturn package which includes all income and expenditure to date, and forecasts income and expenditure to year end including all accruals and prepayments. This allows regular reporting on the current and projected financial health of the academy, and the ability to analyse variances against budget headings. This has been added to during the year, and developed further which will ensure that from 2019, KPI's will be embedded in to the package which will include for example % spend against key categories. This in turn will support the academy when benchmarking against other establishments.

Monthly management accounts are produced and circulated monthly to all Trustees which incorporates this information, all statutory information as determined in the AFH, and additional information to ensure Trustees are provided with an accurate and complete picture of current and projected financial health of the academy. This includes cash balances and free reserves. These are also discussed at each audit committee and Trust Board meeting.

The total number of pupils captured on the October 2018 census was 1,118, including the sixth form provision, out of a capacity available of 1,348. The successes achieved, particularly from our sixth form results, will assist Framwellgate School Durham in recruitment and retention of pupils, which remains a key priority. Trustees regularly review our student numbers, and the impact on future funding.

233 students enrolled in Year 7 in September 2018, and 261 are on roll from September 2019 which is a strong position upon which Framwellgate School Durham aims to build, with a total expected role in September of 1,254. This is an increase of 136 students in one year, in addition to the 103 extra students taken in the year before. This demonstrates growth of circa 25% across two years, leading to the discussions with the ESFA around moving to a real time funding model for 1-2 years from September 2019.

Senior leaders and Trustees review teacher salaries each year, against performance and career stage expectations and will make recommendations for progressions in light of performance against targets.

Support staff salaries have been reviewed and undergo a job evaluation prior to appointment to vacancies, and if there are significant changes to role mid year, to ensure consistency in grade and levels of responsibility.

Rigorous attendance monitoring is done monthly, with the application of the attendance management policy at all times. This allows the academy to improve attendance of staff whilst supporting individuals.

Rigorous quality assurance of data and student progress is undertaken on a regular basis by senior leaders, and members of the governing board.

Senior leaders undertaken regular learning walks, observations, and work scrutinies as part of a planned quality assurance calendar, with results reported to Governors.

Peer reviews and internal audits throughout 2018-19 show outstanding results with no issues identified.



# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The academy underwent an SRMA review as a condition of the changes to our funding agreement from September 2019. The review was exceptionally positive, with £0 of efficiency savings identified.

Benchmarking is undertaken annually with the involvement of the Audit Committee, considering levels of income and expenditure, alongside integrated curriculum and financial planning.

The Academy operates an embedded integrated curriculum financial planning model, and uses this when planning future budgets and curriculum structures. This is done between the Head teacher (accounting office) and Business Director (Chief financial officer), and discussed in detail with the Audit Committee and Trust Board.

The Trust Board use the School Resource Management Toolkit to address curriculum and financial KPI information against national benchmarks. The toolkit in 2018-19 demonstrated a very lean curriculum and financial model, and this again was quality assured by the ESFA and SRMA. This toolkit will be assessed at least on an annual basis by the Trust Board.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence in the medium term. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### **Financial review**

Most of the academies income is obtained from the Department of education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition the school generates funding from the use of its own resources such as the use of the Sjevoll Centre, lettings, and working in partnership with other Education providers in the delivery of some training programmes.

The Academy was unsuccessful in CIF opportunities in 2018-19, and has had to undertake all building work, and expansion works, using a significant proportion of reserves funding in advance of moving to a new funding arrangement from September 2019. At this point, reserves will be replenished.

During the year ended 31 August 2019, total expenditure of £5,704,239 (excluding depreciation and the LGPS adjustments) was less than recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (before transfers and actuarial gains) was £232,115.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2019 the net book value of fixed assets was £8,710,757 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of FRS102 have been applied in full, resulting in a deficit of £2,134,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2019 of £413,668 comprising £24,947 of restricted funds and £438,615 of unrestricted funds.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Reserves policy

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- to provide funds which can be designated to specific areas to support priorities in the school improvement plan
- to cover ongoing costs in relation to the running of the academy including infrastructure upgrades (premises, catering and ICT), and for emergency unplanned expenditure in order to minimise risk
- to support the maintenance and repair of an aging building
- to support the academy's risk management plan

The level of reserves is reviewed by the trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy is reviewed by the trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. In 2018-19 the trustees considered it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of no more than 5% of the total budget allocation. During the year, reserves were released to ensure the academy was ready from September 2019 for the significant growth in student roll. These will be replenished in 2019-20. Trustees resolved to continue to strive for 5% of the total budget allocation as a reasonable reserve policy, being mindful that the funding received is to support the education of our students as our core aim.

In the short term, this is considered sufficient to cover:

- a) unplanned activities
- b) emergency repairs/maintenance
- c) longer term financial planning
- d) a salary safety net

The academy's current level of free reserves are in surplus by £438,615 and although are under the ideal level of reserves required for the ongoing needs of the academy, have been managed well within a significant financial downturn. Trustees resolved to release reserves mid year once the significant level of student growth was confirmed to ensure that the Academy could prepare its staffing structure (both support and teaching), and the infrastructure (catering/IT/building expansion) to be able to manage the additional 136 students expected in 2019-20.

Without this investment, the academy would not be able to take in such an increase in students and safely deliver the curriculum to them.

The academy initially set a deficit budget in 2018-19 due to the impact of lagged funding and the sizeable growth of the student population. During the year the Academy worked hard to reduce this deficit, especially through a very successful lettings scheme. The trustees continue to consider additional activities related to the academy's objectives to which excess reserves may be achieved by:

- a) seeking to make savings from non-salary areas wherever possible
- b) seeking to achieve additional income including maximising CIF funding opportunities on a regular basis
- c) ensuring that budget planning and curriculum design processes are integrated
- d) further scope to increasing lettings potential
- e) continuing negotiation with the ESFA and DFE in relation to real time funding in 2020-2

### Investment policy

If free funds were available, the academy would invest surplus funds through money market accounts. Interest rates would be reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum. The Academy has not invested funds within the last financial year.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Principal risks and uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The trustees have assessed the major risks, to which the academy is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate risk protection arrangements, procured through the DfE RPA scheme. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy has fully implemented the requirements of the Safer Recruitment procedures and all key staff have received training in this area. In addition all staff have received training on Child Protection, Prevent Strategy, safer working practices, Keeping Children Safe in Education and GDPR.

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate financial risks.

### **Fundraising**

The students at Framwellgate School Durham are proactive in organising and undertaking fundraising activities to support local Charities. These range from non-uniform days, to undertaking bake sales. The fundraising is done at a local level, without the engagement of external consultants or fundraising professionals and is very much led by our students who achieved great success, raising funds to support local causes. The scope of any such fundraising activities is restricted to within school and to students' close families and friends. As a result, the Academy has received no complaints in relation to fundraising, and instead only positive comments.

### **Plans for future periods**

In order to expand as a Multi Academy Trust Framwellgate School Durham must endeavour to continue on a performance improvement journey. Our aim continues to be to achieve at least a good Ofsted judgement as quickly as possible, which will be used as a platform for the Trust's development and expansion. Our back office systems have been identified as offering best practice in many areas and this will support any plan for expansion having systems ready to implement across a family of schools. The Trustees meet at least annually to discuss and further develop the vision of the Excel Academy Partnership.

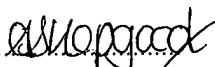
### **Auditor**

Insofar as the trustees are aware:

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

A resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ...6/12/19..... and signed on its behalf by:

.....  
A J Hopgood  
Chair

# THE EXCEL ACADEMY PARTNERSHIP

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Excel Academy Partnership has an effective and appropriate system of control, financial and otherwise. However, such a system is design 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 Head teacher, as accounting officer, and Business Director, as Chief Financial Officer, for ensuring financial controls conform to 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 Excel Academy Partnership and the Secretary of State for education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

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

Trustees	Meetings attended	Out of possible
A J Hopgood (Chair) (Appointed 1 September 2018)	4	4
K Cromarty	3	4
P R Stewart (Resigned 7 December 2018)	0	1
A F Darnell	3	4
R McLauchlan	3	4
M P Fleming	4	4
R Warneford	2	4
C Hillary (Appointed 1 September 2018)	4	4
K Passmore (Appointed 1 September 2018)	2	4

Throughout the year, a lot of work has continued in order to provide distinct layers of governance through separation of roles and responsibilities at all levels (Members, Trustees and Local Governors). Moving in to 2018-19, other than Chair of the Local Governing Board at Framwellgate School Durham, no other local governors will also be Trustees.

Work continues to be undertaken around governance. Succession planning has ensured that our new Chair from September 2018 was able to take hold of the reigns from the longstanding outgoing and experienced Chair after a period of shadowing and mentoring. The Chair has been both a Trustee and Local Governor at the Academy since conversion in 2011, and has provided a continuation of the support and challenge to the Head teacher, senior team, and fellow Trustees. In preparation for the future, the Trust initially increased the number of members to 6 in readiness for the resignation of the outgoing Chair of the Trust, when it then reduced back to 5.

The Chair of the Local Governing Board, and the Chair of the Trust Board undertook governor/trustees led self evaluations during 2018-19 based on models shared by the NGA for Trusts and Local Governing Boards. The Chair of the LGB has herself attended external courses across the year and has worked closely with governors to identify areas of strength and gaps in knowledge which have been targeted through a well developed training programme, supported by the governor training programme available via Durham County Council. The results of this work categorically reflect that every member of the Governing Board and Trust Board is fully committed to supporting the Head teacher and senior leadership team in driving school improvement, and improving outcomes for students.

# THE EXCEL ACADEMY PARTNERSHIP

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The Audit Committee is a sub-committee of the main board of trustees. Its purpose is to operate as a sub committee of the Trust Board, to deal with finance, audit and assurance matters. The committee has an experienced and knowledgeable Chair, who is proactive in supporting the Academy and key personnel in matters including financial management, risk management and internal assurance.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A F Darnell	3	3
R McLauchlan	3	3
R Warneford	1	3
K Passmore (Appointed 1 September 2018)	1	1

#### Review of value for money

As accounting officer the Head teacher has responsibility for ensuring that the academy trust delivers good value in 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 taxpayers resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year as detailed below:

The school has endeavoured to develop an efficient curriculum over the last two years. Curriculum analysis is undertaken on annual basis to ensure that staffing ratios, contact time and class sizes are managed effectively. Heading in to 2019-20, the Pupil Teacher Ratio is 27:1 in KS3 and 25:1 in KS4. The average contact ratio is 0.779 against a national recommendation of 0.78. Both of these measures demonstrate a highly efficient curriculum model.

As part of the change for 1-2 years to the Academy Funding Agreement, a condition of this change was to undergo an SRMA review. This was undertaken during the year, with excellent results. The review identified that the academy had an extremely lean curriculum model, maximised the potential for income through use of the school and site, and was very efficient in all of its activities. The report stated that £0 efficiencies were identified, which is an independent verification of the effectiveness of the financial operations of the Academy.

During 2018/19 the school was provided with a pupil premium allocation of circa £212k. This funding was utilised to target a number of interventions to support pupils who had triggered the grant funding. Some improvements were made through the year, and this remains a key priority moving forward in the school improvement plan.

The Academy tried to secure two CIF grants to repair/replace large sections of roof, and fully rewindow and reclad a structurally failing block. These bids were unsuccessful. The Academy is fully reliant on securing this funding to make this scale of improvement and will continue to bid for capital funding at every given opportunity.

Savings have again been achieved during the year through a review of contracts and SLA's used by the Academy, and a move to the North East Purchasing Consortium for the provision of energy. These savings, together with increased income, a change to the way the Academy was funded for teacher pay and pensions, and a very lean curriculum model have allowed the Academy to reduce the initial deficit projected for 2018-19, which was a result of lagged funding.

# THE EXCEL ACADEMY PARTNERSHIP

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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 academy 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 effectively, efficiently and economically. The system of internal control has been in place in Excel Academy Partnership for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees. The Academy Business Director and the Chair of the Audit Committee are developing a new system of risk management which will bring an element of best practise to the process, and will simplify the recording of risk. This new system will be developed and implemented in early 2018-19.

### **The risk and control framework**

The academy 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 regular financial reports which are reviewed and agreed by the board of trustees
- Regular reviews by the audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Regular reviews by the CFO of variances against budgets
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks
- Scoping and implementation of new requirements including GDPR and safeguarding
- Regular reference by the Trust Board/Audit Committee to the Academies Financial Handbook, Dear Accounting Officer letters, and any other timely information released by external agencies

The board of trustees has considered the need for a specific internal control function and has decided:

- To appoint an experienced and qualified independent auditor to undertake an internal audit process three times a year. Trustees will appoint an external auditor, to perform a full year end audit to support this process.
- The audit committee will work independently with the internal auditor to agree the focus of each internal audit, specifically linked to areas of risk identified in the Academy Risk Management Action plan. This process will be driven and led by the Audit Committee on behalf of the Trust Board.

The internal audit role includes giving advice on financial matters and performing a range of checks on the academy trusts financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of income control
- testing of the effectiveness of governance structures
- testing of the website

# THE EXCEL ACADEMY PARTNERSHIP

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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All checks are done and outcomes measured against the requirements of the Academies Financial Handbook and any other statutory guides. On a termly basis the peer reviewer provides a report to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year the Academy Trust Peer Review function has been fully delivered in line with the ESFA's requirements, as dictated by the regulations in the Academies Financial Handbook.

The peer reviewer has delivered their schedule of work as planned and no material control issues have arisen as a result of their work.

### **Review of effectiveness**

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

- The work of the external auditor
- The work of the peer reviewer
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- The independent SRMA review
- Liaison with the Academies Team of the ESFA

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and ensures continuous improvement of the system in place.

Approved by order of the board of trustees on 6/12/19 and signed on its behalf by:



A J Hopgood  
Chair

# **THE EXCEL ACADEMY PARTNERSHIP**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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As accounting officer of The Excel Academy Partnership, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

  
A Byers  
Accounting Officer

6/12/19



# THE EXCEL ACADEMY PARTNERSHIP

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

In preparing these accounts, the trustees are required to:

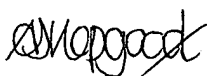
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6/12/19 and signed on its behalf by:



A J Hopgood  
Chair

# THE EXCEL ACADEMY PARTNERSHIP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCEL ACADEMY PARTNERSHIP

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Opinion

We have audited the accounts of The Excel Academy Partnership for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019.

### 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 academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# THE EXCEL ACADEMY PARTNERSHIP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCEL ACADEMY PARTNERSHIP (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees 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 trustees 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 trustees are responsible for assessing the academy 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 trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

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

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

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

# THE EXCEL ACADEMY PARTNERSHIP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCEL ACADEMY PARTNERSHIP (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### 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.

*Baldwins Audit Services*

**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Baldwins Audit Services**

*6/12/19*  
.....

**Statutory Auditor**

Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

# **THE EXCEL ACADEMY PARTNERSHIP**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE EXCEL ACADEMY PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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In accordance with the terms of our engagement letter dated 2 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Excel Academy Partnership during the period 1 September 2018 to 31 August 2019 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 Excel Academy Partnership and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Excel Academy Partnership 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 The Excel Academy Partnership and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Excel Academy Partnership's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Excel Academy Partnership's funding agreement with the Secretary of State for Education dated 30 November 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 academy trust's income and expenditure.

# THE EXCEL ACADEMY PARTNERSHIP

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

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Baldwins Audit Services*

**Reporting Accountant**

Baldwins Audit Services

Dated: .....6/12/19.....

# THE EXCEL ACADEMY PARTNERSHIP

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	4	-	20,000	88,273	108,273	121,402
Charitable activities:						
- Funding for educational operations	5	350,415	5,190,680	-	5,541,095	5,295,744
Other trading activities	6	374,784	-	-	374,784	310,662
Investments	7	475	-	-	475	438
<b>Total</b>		725,674	5,210,680	88,273	6,024,627	5,728,246
<b>Expenditure on:</b>						
Raising funds	8	347,891	-	-	347,891	286,419
Charitable activities:						
- Educational operations	9	299,863	5,306,485	647,955	6,254,303	5,915,800
<b>Total</b>	8	647,754	5,306,485	647,955	6,602,194	6,202,219
<b>Net income/(expenditure)</b>						
		77,920	(95,805)	(559,682)	(577,567)	(473,973)
Transfers between funds	18	-	(227,522)	227,522	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(542,000)	-	(542,000)	197,000
<b>Net movement in funds</b>						
		77,920	(865,327)	(332,160)	(1,119,567)	(276,973)
<b>Reconciliation of funds</b>						
Total funds brought forward		360,695	(1,243,726)	8,867,939	7,984,908	8,261,881
Total funds carried forward		438,615	(2,109,053)	8,535,779	6,865,341	7,984,908

# THE EXCEL ACADEMY PARTNERSHIP

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted	Restricted funds:		Total
		Funds £	General £	Fixed asset £	2018 £
<b>Income and endowments from:</b>					
Donations and capital grants	4	25,000	-	96,402	121,402
Charitable activities:					
- Funding for educational operations	5	307,009	4,988,735	-	5,295,744
Other trading activities	6	310,662	-	-	310,662
Investments	7	438	-	-	438
<b>Total</b>		<u>643,109</u>	<u>4,988,735</u>	<u>96,402</u>	<u>5,728,246</u>
<b>Expenditure on:</b>					
Raising funds	8	286,419	-	-	286,419
Charitable activities:					
- Educational operations	9	320,147	4,950,561	645,092	5,915,800
<b>Total</b>	8	<u>606,566</u>	<u>4,950,561</u>	<u>645,092</u>	<u>6,202,219</u>
<b>Net income/(expenditure)</b>		36,543	38,174	(548,690)	(473,973)
Transfers between funds	18	-	(71,900)	71,900	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	20	-	197,000	-	197,000
<b>Net movement in funds</b>		36,543	163,274	(476,790)	(276,973)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>324,152</u>	<u>(1,407,000)</u>	<u>9,344,729</u>	<u>8,261,881</u>
Total funds carried forward		<u>360,695</u>	<u>(1,243,726)</u>	<u>8,867,939</u>	<u>7,984,908</u>



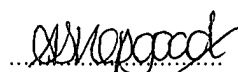
# THE EXCEL ACADEMY PARTNERSHIP

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	13		8,710,757		9,051,915
<b>Current assets</b>					
Debtors	14	267,784		217,272	
Cash at bank and in hand		640,267		653,303	
		<u>908,051</u>		<u>870,575</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	<u>(478,631)</u>		<u>(428,471)</u>	
<b>Net current assets</b>			429,420		442,104
<b>Total assets less current liabilities</b>			9,140,177		9,494,019
Creditors: amounts falling due after more than one year	16		<u>(140,836)</u>		<u>(167,111)</u>
<b>Net assets before defined benefit pension scheme liability</b>			8,999,341		9,326,908
Defined benefit pension scheme liability	20		<u>(2,134,000)</u>		<u>(1,342,000)</u>
<b>Total net assets</b>			<u>6,865,341</u>		<u>7,984,908</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			8,535,779		8,867,939
- Restricted income funds			24,947		98,274
- Pension reserve			<u>(2,134,000)</u>		<u>(1,342,000)</u>
<b>Total restricted funds</b>			6,426,726		7,624,213
<b>Unrestricted income funds</b>	18		438,615		360,695
<b>Total funds</b>			<u>6,865,341</u>		<u>7,984,908</u>

The accounts on pages 21 to 45 were approved by the trustees and authorised for issue on 6/12/19 and are signed on their behalf by:



A J Hopgood  
Chair

Company Number 07837770

# THE EXCEL ACADEMY PARTNERSHIP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		232,024		239,993
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		475		438	
Capital grants from DfE Group		88,273		92,292	
Capital funding received from sponsors and others		-		4,110	
Purchase of tangible fixed assets		(316,320)		(884,575)	
Proceeds from sale of tangible fixed assets		9,522		-	
<b>Net cash used in investing activities</b>			(218,050)		(787,735)
<b>Cash flows from financing activities</b>					
Repayment of other loan		(27,010)		51,653	
<b>Net cash (used in)/provided by financing activities</b>			(27,010)		51,653
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(13,036)		(496,089)
Cash and cash equivalents at beginning of the year			653,303		1,149,392
<b>Cash and cash equivalents at end of the year</b>			640,267		653,303

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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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 academy 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Excel Academy Partnership meets the definition of a public benefit entity under FRS 102.

These financial statements have been prepared in whole £, previous years were rounded to the nearest £1,000. Any apparent discrepancies between these and prior accounts are due to this change in presentation method only.

#### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy 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 academy 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 academy 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.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### Donations

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

#### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy 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 academy 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 academy 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 academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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. Where there are specific conditions attached to the funding that require the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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:

Leasehold improvements	over 22 years
Long leasehold property	over 22 years
Computer equipment	over 3 years
Fixtures, fittings and equipment	over 7 years
Motor vehicles	over 7 years

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The valuation was provided by the ESFA on a depreciated replacement cost basis.

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.

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

#### 1.8 Financial instruments

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

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

(Continued)

##### 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.

##### 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 academy 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 academy 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 academy 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 academy 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 academy 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 prospective unit credit 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 academy 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. Actuarial gains and losses are recognised immediately 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 academy trust at the discretion of the trustees.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **1 Accounting policies**

**(Continued)**

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

#### **1.12 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary and other funds from the ESFA and private sponsors. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the accounts.

### **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 academy 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.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 2 Critical accounting estimates and areas of judgement

(Continued)

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 20, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £120,000 as at 31 August 2019.

##### GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £5,000 as at 31 August 2019.

##### Critical areas of judgement

**Depreciation** - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £645k.

**Land and buildings** - Land and buildings are held under a 125 year lease from Durham County Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

#### 3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2019 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 academy trust has not exceeded these limits during the year ended 31 August 2019.



# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	88,273	88,273	96,402
Other donations	-	20,000	20,000	25,000
	-	108,273	108,273	121,402

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

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,788,653	4,788,653	4,744,177
Other DfE group grants	-	289,278	289,278	177,113
	-	5,077,931	5,077,931	4,921,290
<b>Other government grants</b>				
Local authority grants	-	110,749	110,749	67,445
Special educational projects	-	2,000	2,000	-
	-	112,749	112,749	67,445
<b>Other funding</b>				
Catering income	350,415	-	350,415	300,690
Other incoming resources	-	-	-	6,319
	350,415	-	350,415	307,009
<b>Total funding</b>	350,415	5,190,680	5,541,095	5,295,744

### 6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Lettings	122,434	-	122,434	78,658
Catering income	29,606	-	29,606	17,937
Music tuition	8,730	-	8,730	-
Parental contributions	162,348	-	162,348	161,161
Other income	51,666	-	51,666	52,906
	374,784	-	374,784	310,662

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	475	-	475	438

### 8 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	64,224	-	283,667	347,891	286,419
Academy's educational operations					
- Direct costs	3,577,956	-	296,024	3,873,980	3,746,570
- Allocated support costs	1,010,545	950,964	418,814	2,380,323	2,169,230
	4,652,725	950,964	998,505	6,602,194	6,202,219

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	7,000	7,000
- Other services	2,500	2,500
Operating lease rentals	21,932	17,872
Depreciation of tangible fixed assets	647,955	645,092
Net interest on defined benefit pension liability	35,000	34,000

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	10,996	3,862,984	3,873,980	3,746,570
Support costs				
Educational operations	288,867	2,091,456	2,380,323	2,169,230
	299,863	5,954,440	6,254,303	5,915,800

	2019 £	2018 £
Analysis of support costs		
Support staff costs	1,011,239	848,747
Depreciation	647,955	645,092
Technology costs	70,964	63,223
Premises costs	303,009	270,957
Other support costs	283,672	289,289

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Charitable activities

(Continued)

Governance costs	63,484	51,922
	<u>2,380,323</u>	<u>2,169,230</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	3,467,075	3,266,166
Social security costs	310,846	289,642
Pension costs	775,419	627,139
Amounts paid to employees	<u>4,553,340</u>	<u>4,182,947</u>
Agency staff costs	99,385	159,472
Staff restructuring costs	-	6,210
Amounts paid to staff	<u>4,652,725</u>	<u>4,348,629</u>
Staff development and other staff costs	11,187	13,657
Total staff expenditure	<u>4,663,912</u>	<u>4,362,286</u>

Staff restructuring costs comprise:

Redundancy payments	-	6,210
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#### Staff numbers

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

	2019 Number	2018 Number
Teachers	62	59
Administration and support	67	64
Management	7	6
	<u>136</u>	<u>129</u>

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Staff

(Continued)

#### Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	1	-
£90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £516,638 (2018: £508,083).

### 11 Trustees' remuneration and expenses

In the prior year, One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits in the prior year was as follows:

There were no staff trustees in the current year.

During the year, no trustees received any benefits in kind (2018 - £nil)

During the year, no trustees received any reimbursement of expenses (2018 - £nil).

### 12 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 13 Tangible fixed assets

	Leasehold improvements	Long leasehold property	Computer equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2018	3,332,940	7,669,501	564,200	660,886	-	12,227,527
Additions	-	-	82,870	224,800	8,650	316,320
Disposals	(9,522)	-	-	-	-	(9,522)
At 31 August 2019	3,323,418	7,669,501	647,070	885,686	8,650	12,534,325
<b>Depreciation</b>						
At 1 September 2018	288,020	2,169,742	415,232	302,618	-	3,175,612
Charge for the year	154,183	321,443	73,419	98,602	309	647,956
At 31 August 2019	442,203	2,491,185	488,651	401,220	309	3,823,568
<b>Net book value</b>						
At 31 August 2019	2,881,215	5,178,316	158,419	484,466	8,341	8,710,757
At 31 August 2018	3,044,920	5,499,759	148,968	358,268	-	9,051,915

### 14 Debtors

	2019 £	2018 £
Trade debtors	14,720	5,886
VAT recoverable	69,863	13,423
Other debtors	4,433	2,602
Prepayments and accrued income	178,768	195,361
	267,784	217,272

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

	2019 £	2018 £
Other loans	34,142	34,877
Trade creditors	255,290	103,133
Other taxation and social security	151,517	141,792
Other creditors	11,715	84,230
Accruals and deferred income	25,967	64,439
	478,631	428,471

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

16 Creditors: amounts falling due after more than one year	2019 £	2018 £
Other loans	140,836	167,111
<b>Analysis of loans</b>		
Wholly repayable within five years	174,978	201,988
Less: included in current liabilities	(34,142)	(34,877)
Amounts included above	140,836	167,111
<b>Loan maturity</b>		
Debt due in one year or less	34,142	34,877
Due in more than one year but not more than two years	34,305	34,877
Due in more than two years but not more than five years	64,715	92,769
Due in more than five years	41,816	39,465
	174,978	201,988

Included within other loans is an interest free Salix loan of £96,315 (2018: £123,325) repayable by 2022.

The trust also has an ESFA loan of £78,663 (2018: £78,663). This is at an interest rate of 1.5% and repayable by August 2028.

17 Deferred income	2019 £	2018 £
Deferred income is included within:		
Creditors due within one year	24,742	33,413
Deferred income at 1 September 2018	33,413	56,287
Released from previous years	(33,413)	(56,287)
Resources deferred in the year	24,742	33,413
<b>Deferred income at 31 August 2019</b>	<b>24,742</b>	<b>33,413</b>

At the balance sheet date the Academy Trust was holding deferred income relating to devolved capital and trip income received in advance.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	98,274	4,788,653	(4,656,458)	(227,522)	2,947
Other DfE / ESFA grants	-	289,278	(289,278)	-	-
Other government grants	-	112,749	(110,749)	-	2,000
Other restricted funds	-	20,000	-	-	20,000
Pension reserve	(1,342,000)	-	(250,000)	(542,000)	(2,134,000)
	<u>(1,243,726)</u>	<u>5,210,680</u>	<u>(5,306,485)</u>	<u>(769,522)</u>	<u>(2,109,053)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	5,501,114	-	(312,443)	-	5,188,671
DfE group capital grants	3,157,835	88,273	(161,556)	-	3,084,552
Capital expenditure from GAG	208,990	-	(173,956)	227,522	262,556
	<u>8,867,939</u>	<u>88,273</u>	<u>(647,955)</u>	<u>227,522</u>	<u>8,535,779</u>
<b>Total restricted funds</b>	<u>7,624,213</u>	<u>5,298,953</u>	<u>(5,954,440)</u>	<u>(542,000)</u>	<u>6,426,726</u>
<b>Unrestricted funds</b>					
General funds	343,660	712,249	(636,547)	-	419,362
School fund	17,035	13,425	(11,207)	-	19,253
	<u>360,695</u>	<u>725,674</u>	<u>(647,754)</u>	<u>-</u>	<u>438,615</u>
<b>Total funds</b>	<u>7,984,908</u>	<u>6,024,627</u>	<u>(6,602,194)</u>	<u>(542,000)</u>	<u>6,865,341</u>

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### 18 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grants include pupil premium.

Other grants include income funding for pupils with special educational needs from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants consist of a devolved capital grant which has been spent during the year.

Inherited fixed asset fund reflects the fixed assets acquired from Durham County Council on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds are available to be spent on any purpose, at the discretion of the trustees, within the objectives of the academy trust. During the current academic year, the academy transferred £27,000 of its free reserves to reflect the repayment of the Salix loans.

The academy's restricted general and unrestricted funds were £463,562 as at 31 August 2019.



# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,744,177	(4,583,645)	(62,258)	98,274
Other DfE / ESFA grants	-	177,113	(177,113)	-	-
Other government grants	-	67,445	(57,803)	(9,642)	-
Pension reserve	(1,407,000)	-	(132,000)	197,000	(1,342,000)
	<u>(1,407,000)</u>	<u>4,988,735</u>	<u>(4,950,561)</u>	<u>125,100</u>	<u>(1,243,726)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	5,822,557	-	(321,443)	-	5,501,114
DfE group capital grants	3,258,248	96,402	(196,815)	-	3,157,835
Capital expenditure from GAG	263,924	-	(126,834)	71,900	208,990
	<u>9,344,729</u>	<u>96,402</u>	<u>(645,092)</u>	<u>71,900</u>	<u>8,867,939</u>
<b>Total restricted funds</b>	<u>7,937,729</u>	<u>5,085,137</u>	<u>(5,595,653)</u>	<u>197,000</u>	<u>7,624,213</u>
<b>Unrestricted funds</b>					
General funds	299,152	626,074	(581,566)	-	343,660
School fund	25,000	17,035	(25,000)	-	17,035
	<u>324,152</u>	<u>643,109</u>	<u>(606,566)</u>	<u>-</u>	<u>360,695</u>
<b>Total funds</b>	<u>8,261,881</u>	<u>5,728,246</u>	<u>(6,202,219)</u>	<u>197,000</u>	<u>7,984,908</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	8,710,757	8,710,757
Current assets	445,997	462,054	-	908,051
Creditors falling due within one year	(7,382)	(437,107)	(34,142)	(478,631)
Creditors falling due after one year	-	-	(140,836)	(140,836)
Defined benefit pension liability	-	(2,134,000)	-	(2,134,000)
<b>Total net assets</b>	<u>438,615</u>	<u>(2,109,053)</u>	<u>8,535,779</u>	<u>6,865,341</u>

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	9,051,915	9,051,915
Current assets	374,648	448,362	47,565	870,575
Creditors falling due within one year	(13,953)	(350,088)	(64,430)	(428,471)
Creditors falling due after one year	-	-	(167,111)	(167,111)
Defined benefit pension liability	-	(1,342,000)	-	(1,342,000)
<b>Total net assets</b>	<b>360,695</b>	<b>(1,243,726)</b>	<b>8,867,939</b>	<b>7,984,908</b>

### 20 Pension and similar obligations

The academy 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 Durham County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £67,773 (2018: £63,000) were payable to the schemes at 31 August 2019 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. 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 Public Service Pensions Act (2013) 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 – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension 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.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### 20 Pension and similar obligations

(Continued)

#### **Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

#### **Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £394,068 (2018: £378,000).

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

#### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % for employees. The estimated value of employer contributions for the forthcoming year is £159,000 (2018: £141,000).

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.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Pension and similar obligations

(Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	154,000	134,000
Employees' contributions	51,000	46,000
Total contributions	205,000	180,000
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.5	3.5
Rate of increase for pensions in payment/inflation	2.0	2.0
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.0	2.0

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

	2019 Years	2018 Years
Retiring today		
- Males	22.3	23.3
- Females	23.8	25.0
Retiring in 20 years		
- Males	24.0	25.5
- Females	25.7	27.3

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

The academy trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	1,431,360	1,092,705
Government bonds	729,880	563,250
Corporate bonds	332,280	295,143
Cash	142,000	148,698
Property	204,480	153,204
Total market value of assets	2,840,000	2,253,000

The actual return on scheme assets was £260,000 (2018: £83,000).

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	244,000	232,000
Past service cost	125,000	-
Interest income	(68,000)	(52,000)
Interest cost	103,000	86,000
Total operating charge	404,000	266,000
Changes in the present value of defined benefit obligations	2019 £	2018 £
At 1 September 2018	3,595,000	3,421,000
Current service cost	244,000	232,000
Interest cost	103,000	86,000
Employee contributions	51,000	46,000
Actuarial loss/(gain)	734,000	(166,000)
Benefits paid	122,000	(24,000)
Past service cost	125,000	-
At 31 August 2019	4,974,000	3,595,000
Changes in the fair value of the academy trust's share of scheme assets	2019 £	2018 £
At 1 September 2018	2,253,000	2,014,000
Interest income	68,000	52,000
Actuarial gain	192,000	31,000
Employer contributions	154,000	134,000
Employee contributions	51,000	46,000
Benefits paid	122,000	(24,000)
At 31 August 2019	2,840,000	2,253,000

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	(577,567)	(473,973)
Adjusted for:		
Capital grants from DfE and other capital income	(88,273)	(96,402)
Investment income receivable	(475)	(438)
Defined benefit pension costs less contributions payable	215,000	98,000
Defined benefit pension scheme finance cost	35,000	34,000
Depreciation of tangible fixed assets	647,955	645,092
(Increase)/decrease in debtors	(50,512)	54,567
Increase/(decrease) in creditors	50,896	(20,853)
<b>Net cash provided by operating activities</b>	<b>232,024</b>	<b>239,993</b>

### 22 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	16,300	16,300
Amounts due in two and five years	4,520	24,450
	<b>20,820</b>	<b>40,750</b>

### 23 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

### 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.

# **THE EXCEL ACADEMY PARTNERSHIP**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **25 Agency arrangements**

The academy trust distributes 16-19 and vulnerable bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust brought forward £nil from previous years, received £9,026 and disbursed £9,026 from the fund. An amount of £nil is included in other creditors relating to undistributed funds that is repayable to ESFA.