

Company Registration No. 07869426 (England and Wales)

NEWHAM PARTNERSHIP WORKING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

tc accounts · tax · legal · financial planning

The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN



NEWHAM PARTNERSHIP WORKING LIMITED

CONTENTS

	Page
Company information	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 28

NEWHAM PARTNERSHIP WORKING LIMITED

COMPANY INFORMATION

Directors	A Crispin D Asuni R Cleary J Deslandes T Harrison P Hill A Ilyas M Rowe S Rowlands P Watson D Williams G Macgregor C Ansell	 (Appointed 10 July 2019) (Appointed 10 July 2019)
Secretary	S Beaumont	
Company number	07869426	
Registered office	Francis House 760 Barking Road London E13 9PJ	
Auditor	TC Group The Courtyard Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN	

NEWHAM PARTNERSHIP WORKING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the company continued to be that of the provision of services to local schools, primarily ICT, human resources, governor support, health and safety and associated school support functions.

In addition to the above, the company also acts as agent in ICT hardware and broadband licence procurement transactions on behalf of its member schools.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Crispin

D Asuni

R Cleary

J Deslandes

T Harrison

P Hill

A Ilyas

M Rowe

S Rowlands

P Watson

D Williams

R Liyambo

G Macgregor

C Ansell

(Resigned 16 January 2019)

(Appointed 10 July 2019)

(Appointed 10 July 2019)

NEWHAM PARTNERSHIP WORKING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditor

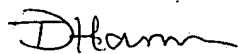
TC Group were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



T Harrison
Director

5 November 2019

NEWHAM PARTNERSHIP WORKING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEWHAM PARTNERSHIP WORKING LIMITED

Opinion

We have audited the financial statements of Newham Partnership Working Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

The financial statements to 31 March 2018 were audited by RSM UK Audit LLP who issued an unqualified opinion on 30 November 2018.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 financial statements are authorised for issue.

NEWHAM PARTNERSHIP WORKING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEWHAM PARTNERSHIP WORKING LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

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

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

NEWHAM PARTNERSHIP WORKING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEWHAM PARTNERSHIP WORKING LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

A further description of our responsibilities for the audit of the financial statements 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.

Use of our report

This report is made solely to the 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 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

Mark Cummins FCCA (Senior Statutory Auditor)
for and on behalf of TC Group

Statutory Auditor
Office: Steyning

7 November 2019

NEWHAM PARTNERSHIP WORKING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Notes	£	as restated £
Turnover	3	4,897,519	6,161,368
Cost of sales		(4,643,261)	(5,382,251)
Gross surplus		254,258	779,117
Administrative expenses		(1,478,039)	(1,300,179)
Other operating income		15,285	15,285
Exceptional item	4	(20,590)	(124,573)
Operating deficit	5	(1,229,086)	(630,350)
Interest receivable and similar income		10,074	5,297
Interest payable and similar expenses	9	(223,000)	(238,000)
Deficit before taxation		(1,442,012)	(863,053)
Tax on deficit		262	(1,287)
Deficit for the financial year		(1,441,750)	(864,340)
Other comprehensive income			
Actuarial gain on defined benefit pension schemes		762,000	399,000
Tax relating to other comprehensive income		(13,636)	(2,001)
Total comprehensive income for the year		(693,386)	(467,341)

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 28 form part of these financial statements

NEWHAM PARTNERSHIP WORKING LIMITED


BALANCE SHEET

AS AT 31 MARCH 2019

		2019		2018
				as restated
	Notes	£	£	£
Fixed assets				
Intangible assets	10	24,881		37,436
Tangible assets	11	26,084		40,554
Investments	12	1		-
		<u>50,966</u>		<u>77,990</u>
Current assets				
Debtors	14	720,388	851,748	
Cash at bank and in hand		468,287	1,047,091	
		<u>1,188,675</u>	<u>1,898,839</u>	
Creditors: amounts falling due within one year	15	<u>(1,270,036)</u>	<u>(1,154,719)</u>	
Net current (liabilities)/assets		<u>(81,361)</u>		<u>744,120</u>
Total assets less current liabilities		<u>(30,395)</u>		<u>822,110</u>
Provisions for liabilities	16	<u>(8,829,073)</u>		<u>(8,988,192)</u>
Net liabilities		<u>(8,859,468)</u>		<u>(8,166,082)</u>
Reserves				
Pension reserve		(8,770,289)		(8,942,925)
Income and expenditure account		(89,179)		776,843
Members' funds		<u>(8,859,468)</u>		<u>(8,166,082)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 5 November 2019 and are signed on its behalf by:



T Harrison
Director

Company Registration No. 07869426

The notes on pages 11 to 28 form part of these financial statements

NEWHAM PARTNERSHIP WORKING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Pension reserve £	Income and expenditure £	Total £
As restated for the period ended 31 March 2018:			
Balance at 1 April 2017	(8,682,581)	983,840	(7,698,741)
Year ended 31 March 2018:			
Loss for the year	-	(864,340)	(864,340)
Other comprehensive income:			
Actuarial gains on defined benefit plans	-	399,000	399,000
Tax relating to other comprehensive income	-	(2,001)	(2,001)
Total comprehensive income for the year	-	(467,341)	(467,341)
Transfer of net movement on defined benefit pension scheme	(260,344)	260,344	-
Balance at 31 March 2018	(8,942,925)	776,843	(8,166,082)
Year ended 31 March 2019:			
Loss for the year	-	(1,441,750)	(1,441,750)
Other comprehensive income:			
Actuarial gains on defined benefit plans	-	762,000	762,000
Tax relating to other comprehensive income	-	(13,636)	(13,636)
Total comprehensive income for the year	-	(693,386)	(693,386)
Transfer of net movement on defined benefit pension liability	172,636	(172,636)	-
Balance at 31 March 2019	(8,770,289)	(89,179)	(8,859,468)

The notes on pages 11 to 28 form part of these financial statements

NEWHAM PARTNERSHIP WORKING LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Notes	£	as restated £
Cash flows from operating activities			
Cash absorbed by operations	25	(579,309)	(356,418)
Income taxes paid		(407)	(574)
Net cash outflow from operating activities		<u>(579,716)</u>	<u>(356,992)</u>
Investing activities			
Purchase of intangible assets		(7,750)	(8,338)
Purchase of tangible fixed assets		(1,411)	-
Purchase of subsidiaries		(1)	-
Interest received		10,074	5,297
Net cash generated from/(used in) investing activities		<u>912</u>	<u>(3,041)</u>
Net decrease in cash and cash equivalents		<u>(578,804)</u>	<u>(360,033)</u>
Cash and cash equivalents at beginning of year		1,047,091	1,407,124
Cash and cash equivalents at end of year		<u><u>468,287</u></u>	<u><u>1,047,091</u></u>

The notes on pages 11 to 28 form part of these financial statements

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Newham Partnership Working Limited (07869426) is a private company limited by guarantee incorporated in England and Wales. The registered office is Francis House, 760 Barking Road, London, E13 9PJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Newham Partnership Working Limited (NPW Ltd) have a high renewal rate against existing contracts (average 97%) and have also secured new long term contracts in the last six months. The directors are satisfied that NPW Ltd is able to meet its working capital liabilities through the management of the normal cyclical nature of receipts and payments.

Of the net liabilities of £8.86m, 99.7% is as a result of the accounting provision for the Local Government Pension Scheme (LGPS). The scheme was in deficit when NPW Ltd was admitted to the LGPS, that deficit was transferred to NPW Ltd by the London Borough of Newham in 2013.

The cash flow forecast for the next 12 months indicates that NPW Ltd will have sufficient cash assets to be able to meet its debts as and when they are due.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life, has been fully amortised, and was disposed of in the year.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	25% - 33.3% straight line
----------	---------------------------

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the remaining length of the lease
Fixtures and fittings	20% straight line
Computers	33.3% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

Minor items of capital expenditure up to £1,000 are written off to profit and loss (unless part of a larger project with a value in excess of £1,000).

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits. Termination benefits recognised as an expense in the year amount to £20,590 (2018: £124,573).

Retirement benefits of employees of the company are provided by the Local Government Pension Scheme ("LGPS"), which is a defined benefit scheme, contracted out of the State Earnings Related Pension Scheme ("SERPS") with the assets held separately from those of the company. The cost of providing benefits under defined benefit plans is determined separately for each plan, and is based on actuarial advice. The LGPS is a funded scheme and the assets are held separately from those of the company in separate trustee administered funds. Pension scheme assets are measured at fair value and the scheme liabilities are measured using the projected unit credit method, discounted using 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 reporting date.

Gains or losses recognised in profit or loss:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.
- The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.
- Net interest on the defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligation.

Gains or losses recognised in other comprehensive income:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Agency sales

The company acts in an agency capacity for the purchase and sale of ICT hardware and broadband licences on behalf of its member schools. Turnover relating to these agency sales is disclosed in the notes to the financial statements as a memo disclosure only. Debtors and creditors for these transactions are included within trade debtors and trade creditors where the company receives and settles monies in respect of these transactions. These are separately identified as relating to agency transactions.

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.15 Government grants

Government grants on capital expenditure are credited to a deferral account and are released to other operating income in accordance with the depreciation rate of the asset to which they relate. The release in 2019 totalled £15,285 (2018: £15,285).

Grants of a revenue nature are credited to income in the period to which they relate.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Defined benefit pension scheme

The valuation of the defined benefit pension scheme is based on a number of assumptions. Further details can be found in note 19.

Recoverability of debtors

The judgements, estimates and associated assumptions necessary to assess the recoverability of these balances are based on historical experience and other reasonable factors.

3 Turnover and other revenue

	2019	2018
	£	£
Turnover analysed by class of business		
Services to schools	4,897,519	6,161,368
	<u> </u>	<u> </u>
	2019	2018
	£	£
Other significant revenue		
Interest income	10,074	5,297
	<u> </u>	<u> </u>

NEWHAM PARTNERSHIP WORKING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****3 Turnover and other revenue****(Continued)****(a) As principal**

Turnover, stated net of value added tax, consists of UK sales generated from the provision of support services to local schools, relating to ICT, human resources, governor support, health and safety and associated school support functions.

(b) As agent

The company has acted as agent on behalf of its member schools in connection with the procurement of ICT hardware and broadband licences. The value of these procurement transactions, whereby Newham Partnership Working Limited act as agent was £1,450,862 (2018: £2,105,647). This amount has not been recognised and disclosed as turnover within the company's income statement. Newham Partnership Working Limited recognises the commission earned in respect of these transactions only.

Outstanding balances in relation to these agency arrangements are contained within notes 14 and 15 to the financial statements.

4 Exceptional costs

	2019	2018
	£	£
Redundancy costs	20,590	124,573

Exceptional costs relate to redundancy costs in relation to the restructuring of the company.

5 Operating deficit

	2019	2018
	£	£
Operating deficit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	15,881	21,297
Amortisation of intangible assets	8,092	13,913
Loss on disposal of intangible assets	12,213	-
Operating lease charges	132,817	130,422

6 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	15,000	21,250
For other services		
All other non-audit services	11,460	15,128

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019	2018
	Number	Number
ICT	22	38
HR	18	24
Governor Services	7	10
School Support	5	5
Overheads	11	7
Training	5	-
	<hr/>	<hr/>
	68	84
	<hr/>	<hr/>

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	2,831,988	3,168,951
Social security costs	299,062	321,942
Pension costs	868,546	956,698
	<hr/>	<hr/>
	3,999,596	4,447,591
	<hr/>	<hr/>

Included within pension costs above are payments of £488,546 (2018: £542,698) made in the year and an adjustment of £380,000 to align pension costs with those in the FRS 102 actuarial report prepared by Barnett Waddingham.

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Directors' remuneration

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2018 - 0).

Directors remuneration for the year totalled £152,000 (2018: £150,498), comprised of salary costs of £126,253 (2018: £125,003), pension contributions of £25,503 (2018: £25,251) and benefits in kind of £244 (2018: £244). No further fees were paid in respect of directors' services (2018: £Nil).

9 Interest payable and similar expenses

	2019	2018
	£	£
Other finance costs:		
Interest on net defined benefit pension liability	223,000	238,000
	<u>223,000</u>	<u>238,000</u>

10 Intangible fixed assets

	Goodwill	Software	Total
	£	£	£
Cost			
At 1 April 2018	4,495,000	57,990	4,552,990
Additions - separately acquired	-	7,750	7,750
Disposals	(4,495,000)	(16,088)	(4,511,088)
	<u>-</u>	<u>41,652</u>	<u>41,652</u>
At 31 March 2019	-	49,652	49,652
	<u>-</u>	<u>49,652</u>	<u>49,652</u>
Amortisation and impairment			
At 1 April 2018	4,495,000	20,554	4,515,554
Amortisation charged for the year	-	8,092	8,092
Disposals	(4,495,000)	(3,875)	(4,498,875)
	<u>-</u>	<u>16,677</u>	<u>16,677</u>
At 31 March 2019	-	24,771	24,771
	<u>-</u>	<u>24,771</u>	<u>24,771</u>
Carrying amount			
At 31 March 2019	-	24,881	24,881
	<u>-</u>	<u>24,881</u>	<u>24,881</u>
At 31 March 2018	-	37,436	37,436
	<u>-</u>	<u>37,436</u>	<u>37,436</u>

Amortisation charges are included in 'Administrative expenses' in the Statement of Comprehensive Income.

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 April 2018	215,114	84,402	24,755	324,271
Additions	-	-	1,411	1,411
At 31 March 2019	215,114	84,402	26,166	325,682
Depreciation and impairment				
At 1 April 2018	192,474	74,130	17,113	283,717
Depreciation charged in the year	5,685	4,701	5,495	15,881
At 31 March 2019	198,159	78,831	22,608	299,598
Carrying amount				
At 31 March 2019	16,955	5,571	3,558	26,084
At 31 March 2018	22,640	10,272	7,642	40,554

12 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	13	1	-

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2018	-
Additions	1
At 31 March 2019	1
Carrying amount	
At 31 March 2019	1
At 31 March 2018	-

NEWHAM PARTNERSHIP WORKING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****13 Subsidiaries**

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The Education Space Limited	United Kingdom	Educational support services	Ordinary	100.00	-

On 18 January 2019 the company acquired the entire share capital of The Education Space Limited, a company incorporated in England and Wales.

14 Debtors

	2019 £	2018 £
Service charges due	228,519	318,261
Other debtors	79,091	53,879
Prepayments and accrued income	381,339	434,533
	<hr/>	<hr/>
	688,949	806,673
Deferred tax asset (note 18)	31,439	45,075
	<hr/>	<hr/>
	720,388	851,748
	<hr/>	<hr/>

Debtors include an amount of £33,983 (2018: £33,983) which is due after more than one year.

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	443,180	492,153
Corporation tax	-	550
Other taxation and social security	110,520	-
Other creditors	113,630	128,938
Accruals and deferred income	602,706	533,078
	<hr/>	<hr/>
	1,270,036	1,154,719
	<hr/>	<hr/>

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	18	73	192
Retirement benefit obligations	19	8,829,000	8,988,000
		<u>8,829,073</u>	<u>8,988,192</u>

17 Financial instruments

Included in the amounts shown as Debtors and Creditors above are financial assets and financial liabilities, the classification of which are further analysed below:

	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	440,235	538,349
	<u>440,235</u>	<u>538,349</u>
Carrying amount of financial liabilities		
Measured at amortised cost	443,180	795,088
	<u>443,180</u>	<u>795,088</u>

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Balances:				
Accelerated capital allowances	73	192	-	-
Retirement benefit obligations	-	-	31,439	45,075
	<u>73</u>	<u>192</u>	<u>31,439</u>	<u>45,075</u>

	2019 £
Movements in the year:	
Liability/(Asset) at 1 April 2018	(44,883)
Credit to profit or loss	(119)
Charge to other comprehensive income	13,636
Liability/(Asset) at 31 March 2019	<u>(31,366)</u>

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Deferred taxation

(Continued)

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes

Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees.

On admission to the company the pensionable service of the eligible employees was transferred within the LGPS section of London Borough of Newham Pension Fund to Newham Partnership Working Limited, who are now responsible for the liabilities in respect of that service, and have been allocated assets in respect of them.

The agreed contribution rates for the future years is a base employers contribution of 14.8% plus 5.4% additional contribution by Newham Partnership Working Limited to recover the expected pension deficit over the next ten years. Members contribute between 5.5% and 11.4% of their base salary.

There are approximately 65 members.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 24 April 2019 by Barnett Waddingham, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method. Past service costs are recognised immediately in the income statement and actuarial gains and losses are recognised in other comprehensive income in the year in which they arise.

	2019	2018
<i>Key assumptions</i>	%	%
Discount rate	2.4	2.5
Expected rate of increase of pensions in payment	2.4	2.3
Expected rate of salary increases	4.7	4.6
RPI increases	2.4	2.3
CPI increases	2.3	1.3
	<u> </u>	<u> </u>

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

19 Retirement benefit schemes

(Continued)

<i>Mortality assumptions</i>	2019	2018
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	21.6	22.6
- Females	24.0	25.2
Retiring in 20 years		
- Males	23.3	24.8
- Females	25.8	27.5
	2019	2018
<i>Amounts recognised in the profit and loss account</i>	£	£
Current service cost	843,000	928,000
Net interest on defined benefit liability/(asset)	223,000	238,000
Other costs and income	8,000	10,000
Total costs	1,074,000	1,176,000
	2019	2018
<i>Amounts taken to other comprehensive income</i>	£	£
Actual return on scheme assets	(969,000)	(11,000)
Less: calculated interest element	292,000	305,000
Return on scheme assets excluding interest income	(677,000)	294,000
Actuarial changes related to obligations	(85,000)	(693,000)
Total costs/(income)	(762,000)	(399,000)

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

19 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2019	2018
	£	£
Present value of defined benefit obligations	21,467,000	20,221,000
Fair value of plan assets	(12,638,000)	(11,233,000)
	<u>8,829,000</u>	<u>8,988,000</u>
Deficit in scheme	<u>8,829,000</u>	<u>8,988,000</u>

	2019
	£
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 April 2018	20,221,000
Current service cost	843,000
Benefits paid	(198,000)
Contributions from scheme members	171,000
Actuarial gains and losses	(85,000)
Interest cost	515,000
At 31 March 2019	<u>21,467,000</u>

The defined benefit obligations arise from plans which are wholly unfunded.

	2019
	£
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 April 2018	11,233,000
Interest income	292,000
Return on plan assets (excluding amounts included in net interest)	677,000
Benefits paid	(198,000)
Contributions by the employer	471,000
Contributions by scheme members	171,000
Other	(8,000)
At 31 March 2019	<u>12,638,000</u>

The actual return on plan assets was £969,000 (2018 - £11,000).

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

19 Retirement benefit schemes (Continued)

	2019	2018
<i>Fair value of plan assets at the reporting period end</i>	£	£
Equity instruments	7,244,000	7,299,000
Debt instruments	742,000	385,000
Property	1,277,000	1,070,000
Other bonds	1,017,000	1,139,000
Cash	1,343,000	1,034,000
Alternative assets	1,015,000	306,000
	<u>12,638,000</u>	<u>11,233,000</u>

20 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

21 Reserves

Pension reserve

The pension reserve represents the cumulative actuarial gains and losses on the defined benefit pension scheme, net of deferred tax. This reserve forms part of the overall distributable reserves.

Profit and loss reserves

The profit and loss reserve represents the cumulative profit and loss.

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£	£
Within one year	133,280	134,138
Between two and five years	283,463	389,353
In over five years	-	24,803
	<u>416,743</u>	<u>548,294</u>

NEWHAM PARTNERSHIP WORKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

23 Related party transactions

The remuneration of key management personnel in the year amounted to £476,351 (2018: £572,964).

During the year Newham Partnership Working Limited provided services to a number of member schools in the London Borough of Newham area. The schools had an employee working for them or a governing body member, who was also a director of Newham Partnership Working Limited. All of the aforementioned transactions were carried out on a normal commercial basis.

Last year Newham Council provided payroll services to Newham Partnership Working Limited and charged the company fees of £8,543. No such fees were charged in the current year. Newham Council is an entity with an interest in Newham Partnership Working Limited. At the year end £nil (2018: £419,507) was owed to Newham Council, representing payroll paid on behalf of the company.

24 Ultimate controlling party

In the opinion of the directors there is deemed to be no one controlling party.

25 Cash generated from operations

	2019 £	2018 £
Deficit for the year after tax	(1,441,750)	(864,340)
Adjustments for:		
Taxation (credited)/charged	(262)	1,287
Finance costs	223,000	238,000
Investment income	(10,074)	(5,297)
Loss on disposal of intangible assets	12,213	-
Amortisation and impairment of intangible assets	8,092	13,913
Depreciation and impairment of tangible fixed assets	15,881	21,297
Pension scheme non-cash movement	380,000	414,000
Movements in working capital:		
Decrease in debtors	117,724	233,388
Increase/(decrease) in creditors	115,867	(408,666)
Cash absorbed by operations	<u>(579,309)</u>	<u>(356,418)</u>

NEWHAM PARTNERSHIP WORKING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****26 Prior period adjustment**

The directors have become aware that some income was included in the accounts for the year ended 31 March 2018 which should have been deferred and recognised in the accounts to 31 March 2019. This has been corrected as a prior year adjustment.

Reconciliation of changes in equity

	1 April 2017 £	31 March 2018 £
Equity as previously reported	(7,698,741)	(8,076,200)
Adjustments to prior year		
Deferred income restatement	-	(89,882)
Equity as adjusted	<u>(7,698,741)</u>	<u>(8,166,082)</u>

Reconciliation of changes in deficit for the previous financial period

	2018 £
Deficit as previously reported	(774,458)
Adjustments to prior year	
Deferred income restatement	(89,882)
Deficit as adjusted	<u>(864,340)</u>