



Companies House

**Tower Hamlets Education  
Partnership**

**Annual Report and  
Financial Statements**

31 March 2023

Charity Registration Number  
1173381 (England and Wales)

Company Limited by Guarantee  
Registration Number  
10556338 (England and Wales)

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COMPANIES HOUSE

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## Legal and administrative information

<b>Trustees</b>	Robert Crothers (Chair) Shahanaz Begum Aziz Choudhury Michael Keating Zafrin Khan-Wheatley Brenda Landers ( <i>to 04.07.22</i> ) Nessa McNeela Sir Alasdair Macdonald Owen O'Regan Jon Ryder ( <i>from 31.10.22</i> ) James Thomas Olubunkunola Yusuf
<b>Executive Team</b>	Tracy Smith, Executive Director Daniel Burton, Director of Secondary Education and Partnerships Brendan Crossan, Director of Operations Alison Gawthrop, Director of Primary Education and Partnerships
<b>Registered office</b>	The Professional Development Centre 229 Bethnal Green Road London E2 6AB
<b>Charity registration number</b>	1173381 (England and Wales)
<b>Company registration number</b>	10556338 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	National Westminster Bank Stratford Broadway Gratley House 1-11 Broadway Stratford E15 4DX

## **Trustees' report Year to 31 March 2023**

The Trustees, who are also the directors for the purposes of company law, present their statutory report together with the financial statements of the Tower Hamlets Education Partnership ("THE Partnership" or the "charitable company") for the year to 31 March 2023.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report which has been prepared to meet the requirements of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 16 to 18 and comply with THE Partnership's memorandum and articles of association, applicable laws and the requirements of 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 United Kingdom and Republic of Ireland (FRS 102).

### **OBJECTIVES AND ACTIVITIES**

#### **Principal aims**

The principal activity of THE Partnership in the year under review was the advancement of education for the public benefit in and through member schools and other educational settings and initiatives in the United Kingdom, with an initial focus on the London Borough of Tower Hamlets.

#### **Review of activities**

##### ***Vision***

Our vision is that all children and young people in Tower Hamlets will experience the best possible educational opportunities, outcomes and life chances.

##### ***Objectives***

To realise this vision, we are building on the existing culture of collaborative working between our schools and other educational settings enabling them to deliver the best possible education for the public benefit.

##### ***Review of the year***

The long and rich history of collaboration and partnership working in Tower Hamlets continues to provide the foundation for our work with our member schools.

The very complex challenges facing schools and school leaders at present require us to strengthen our collaborative approach and to collectively, as Michael Fullan says, 'execute public service with a moral purpose' and develop leaders who 'work in their own schools but also participate in the bigger picture'.

These traits are writ large in the education and wider community in Tower Hamlets and we should feel proud of the exceptional leadership found in our partnership of schools and across the wider system. Both our strategic plan and our day-to-day work with schools seek to promote these traits in further developing a collaborative school-led system.

## Trustees' report Year to 31 March 2023

### OBJECTIVES AND ACTIVITIES (continued)

#### Review of activities (continued)

##### *Review of the year (continued)*

Our leaders, teachers, staff, governors and the whole community continue to rise to the challenges facing schools in the current difficult climate and demonstrate remarkable commitment to ensure that our children and young people continue to learn and achieve. For our part, we continue to support the whole school community in an increasing variety of ways.

We are proud of the part THE Partnership plays in leading the agenda of collaborative school improvement in Tower Hamlets and in working collectively to build an even stronger community of schools.

We have developed greater capacity and brought new insights from the expansion of the excellent consultant team, improving our understanding of how to provide high quality support and challenge. This has been enhanced through the very effective role of the Headteacher Reference Group who take their role as a critical friend seriously, providing robust scrutiny of our work.

We would like to express our thanks for all the support from our member schools, the Local Authority and the wider community and look forward to working with you again next year.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

THE Partnership was incorporated on 10 January 2017 as a company limited by guarantee, company registration number 10556338 (England and Wales), in accordance with the requirements of The School Companies Regulations 2002. It was registered as a charity on 13 June 2017, charity registration number 1173381 (England and Wales). In the event of winding up, each of the members is liable to contribute towards the assets of the charitable company up to the amount of £25.

The Trustees approve the strategic plan and the budget for each financial year. Management of the day-to-day operations is delegated to the Executive Director, subject to appropriate financial limits. The Trustees monitor the activities of THE Partnership at Board meetings which take place three times per year; the Chair meets more regularly with the Executive Director to review progress. A new Strategic Plan 2022-25 was approved by the Trustees in March 2022 for implementation in September 2022.

A Finance and Operations sub-committee meets three times a year to review financial and operational matters including audit. The Trustees also hold an annual strategy day to consider emerging education policies and practice and to discuss ongoing strategic planning.

#### Trustees

The Trustees who were in office throughout the year, and as at the date of signature of the financial statements are listed at page 1 of these financial statements.

The Trustees have been selected to include an appropriate mix of educational and

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

### **Trustees (continued)**

business skills and representation of the local community. Following the resignation of a Trustee in July 2022, a new Trustee was appointed by the Board in October 2022.

### **Induction and training**

The Trustees have been provided with guidance on their responsibilities as Trustees and new Trustees are provided with a comprehensive induction programme.

### **Key management personnel**

The key management personnel of the charitable company comprise the Trustees and the Executive Team (as listed at page 1). The salaries of the Executive Team are reviewed on an annual basis, taking into account external benchmarks and the terms of their contracts.

No remuneration was paid to any Trustee in connection with his or her services as a Trustee.

### **Fundraising**

The charitable company does not actively solicit donations and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. When donations from individuals are received, the charity protects personal data and never sells data or swaps data with other organisations. During 2022, the charity received no complaints about fundraising activities.

### **Public benefit**

The Trustees have noted the Charity Commission guidance on the public benefit requirement under the Charities Act 2011 and are confident that the activities of THE Partnership comply with this requirement.

The Trustees will ensure that, in administering the charitable company, they will continue to pay due regard to the Charity Commission guidance on public benefit.

### **Trustees' responsibilities**

The Trustees (who are also directors of THE Partnership for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102);

## Trustees' report Year to 31 March 2023

### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

#### Trustees' responsibilities (continued)

- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- ◆ so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

## **FINANCIAL REVIEW**

### **Financial report**

A summary of the year's results can be found on page 13 of the financial statements.

Total income for the year amounted to £1,207,121 (2022 - £1,424,171) and total expenditure amounted to £1,329,234 (2022 - £1,561,577), resulting in a deficit for the year of £122,113 (2022 - £137,406 deficit). Total reserves at 31 March 2023 amounted to £591,924 (2022 - £714,037) and the total cash and short-term deposits balance was £911,171 (2022 - £583,669). The Trustees consider that this is sufficient to cover the current commitments and continuing activities.

### **Reserves policy and financial position**

#### ***Reserves policy***

The Trustees have reviewed the reserves policy and the need for free reserves, being those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed. Having considered the current income streams, committed expenditure and key financial risks, it is felt that such reserves are necessary to cover any temporary shortfalls in income due to timing differences between income and expenditure and to allow for unforeseen reductions in income pending the implementation of action plans to reduce expenditure. After an assessment of risk, the Trustees have approved a target level of free reserves that is sufficient to cover a minimum of three months' average expenditure. At 31 March 2023, the free reserves (unrestricted funds excluding tangible fixed assets) amounted to £548,962 (2022: £659,495), which exceeds the minimum target level when compared to the expenditure in the year then ended. In the light of reduction in expected income, this level of reserves is considered to be sufficient to achieve the target level of free reserves in 2023-24.

#### ***Financial position***

The balance sheet shows total net assets of £591,924 (2022 - £714,037), all of which relates to unrestricted funds. The Trustees consider that this is sufficient to cover commitments and to finance the continued running of activities in accordance with the reserves policy set out above.



## **FINANCIAL REVIEW** (continued)

### **Risk management**

The Trustees, together with the Executive team, have assessed the major risks to which the charitable company is exposed. The Trustees believe that they have established effective systems to mitigate those risks by putting operational plans in place, by monitoring reserve levels, by ensuring that there are adequate controls over key financial systems and by periodically reassessing the operational and business risks. Post COVID-19, the Trustees have continued to regularly consider and review these risks.

The Trustees have identified the key risks as set out on the following page.

### ***Financial risks***

There are a number of risks to our long-term viability: over-dependency on income from limited sources, lack of capacity and capability to diversify income sources and a failure to convince members of the benefits of diversification and growth. The re-subscription of all our member schools this year, along with significant in-year savings arising from staffing reorganisations, provides evidence of the active management of these risks.

### ***Public policy risks***

The publishing of a Schools White Paper in March 2022 required THE Partnership to be agile in the way the risks to ourselves and our member schools, particularly in relation to academisation, were managed. This involved consultation with member schools, identification of the options for potential MAT structures and consideration of these options at a Board Strategy Day.

Discussions with the local authority and maintained schools have continued in order to manage the transition of funding for commissioned services from a Department for Education grant to de-delegated schools funding.

### ***Service delivery risks***

In times of significant change, there is a constant requirement for our service offer to be adapted appropriately so that it remains fit for purpose and schools are willing to retain their membership.

Service delivery on our behalf by consultants or contractors needs effective quality management systems in place to protect our reputation and membership levels. Feedback from member surveys continues to indicate that these risks are being managed effectively and the Executive Team will continue to regularly review our service offer to members. The Board are provided with details of service delivery, current and planned, at each meeting.

### ***Workforce risks***

We must ensure our people have the necessary skills and motivation to deliver high-quality services and to operate in an efficient and effective way. We have reviewed our staffing structures to ensure they remain appropriate and provided professional development opportunities to enable staff to maintain and enhance their capacity to deliver relevant services. This review has resulted in a reorganisation of the Operations Team and changes to some Executive Team roles during 2022-23.

## Trustees' report Year to 31 March 2023

### FINANCIAL REVIEW (continued)

#### Risk management (continued)

##### *Workforce risks (continued)*

We remain acutely aware that the loss of key staff, in addition to creating a risk to the ongoing operations at least in the short term, could have an impact on the financial and service delivery risks. The actions to mitigate this risk include developing robust systems for the review and appraisal of performance, for personal and professional development and for remuneration.

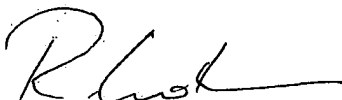
#### Future plans

We will review the strategic plan 2022-25 in advance of the second year of its implementation and this review will inform the operational plan for 2023-24 which will be implemented from September 2023.

A key element of the review of the strategic plan will be a detailed review of both local authority commissioned services and our member services offer to be undertaken from May 2023.

We will maintain a watching brief on any new government policy proposals following the withdrawal of the Schools White Paper in January 2023.

Approved by the Trustees and signed on their behalf by:



Trustee: *ROBERT CROTHERS*

Robert Crothers

Date: *3 July 2023*

## **Independent auditor's report Year to 31 March 2023**

### **Independent auditor's report to the members of Tower Hamlets Education Partnership**

#### **Opinion**

We have audited the financial statements of Tower Hamlets Education Partnership (the 'charitable company') for the year to 31 March 2023 which comprise the statement of financial activities, the balance sheet, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure 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 charitable 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**

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

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

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

## **Independent auditor's report Year to 31 March 2023**

### **Other information**

The Trustees 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 the audit:

- ◆ the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Trustees were not entitled to take the small companies' exemptions from the requirement to prepare a strategic report.

## **Independent auditor's report Year to 31 March 2023**

### **Responsibilities of Trustees**

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

### **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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ♦ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ♦ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ♦ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and

## **Independent auditor's report** Year to 31 March 2023

### **Auditor's responsibilities for the audit of the financial statements** (continued)

- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimate for the provision for gifts in kind were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](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 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.



13 July 2023

Hugh Swainson, Senior Statutory Auditor

for and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street London EC2V 6DL

# Statement of financial activities (including income and expenditure account)

Year to 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>Income from:</b>					
Grants and donations	1	—	—	—	5,894
Charitable activities	2	1,207,121	—	1,207,121	1,418,277
<b>Total income</b>		<b>1,207,121</b>	<b>—</b>	<b>1,207,121</b>	<b>1,424,171</b>
<b>Expenditure on:</b>					
Charitable activities	3	1,329,234	—	1,329,234	1,561,577
<b>Total expenditure</b>		<b>1,329,234</b>	<b>—</b>	<b>1,329,234</b>	<b>1,561,577</b>
<b>Net expenditure and net movement in funds</b>	5	<b>(122,113)</b>	<b>—</b>	<b>(122,113)</b>	<b>(137,406)</b>
<b>Reconciliation of funds:</b>					
Balances brought forward at 1 April 2022		714,037	—	714,037	851,443
Balances carried forward at 31 March 2023		591,924	—	591,924	714,037

All of the charitable company's activities derived from continuing operations. All funds in the prior year were unrestricted.

There is no difference between the net movement in funds above and the historical cost equivalent.

# **Balance sheet** As at 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
<b>Tangible fixed assets</b>	9		<b>42,962</b>		<b>54,542</b>
<b>Current assets:</b>					
Debtors	10	78,407		640,693	
Cash at bank and in hand		411,171		583,669	
Short term deposits		500,000		—	
		<u>989,578</u>		<u>1,224,362</u>	
<b>Creditors: amounts falling due within one year</b>	11	<b>(440,616)</b>		<b>(564,867)</b>	
<b>Net current assets</b>			<b>548,962</b>		<b>659,495</b>
<b>Total net assets</b>			<b>591,924</b>		<b>714,037</b>
<b>The funds of the charity:</b>					
Unrestricted funds					
General fund			<b>591,924</b>		<b>714,037</b>
			<u>591,924</u>		<u>714,037</u>

Approved by the Trustees of Tower Hamlets Education Partnership, Company Registration No. 10556338 (England and Wales) and signed on their behalf by:



Trustee: *Robert Crothers*  
Robert Crothers

Approved on: 3 July 2023



## Statement of cash flows Year to 31 March 2023

	Notes	Year to 31 March 2023 £	Year to 31 March 2022 £
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	A	<b>347,182</b>	(425,134)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<b>(19,680)</b>	(15,943)
<b>Change in cash and cash equivalents in the year</b>		<b>327,502</b>	(441,077)
<b>Cash and cash equivalents at 1 April 2022</b>	B	<b>583,669</b>	1,024,746
<b>Cash and cash equivalents at 31 March 2023</b>	B	<b>911,171</b>	583,669

### Notes to the statement of cash flows for the year

#### A Reconciliation of net movement in funds to net cash provided by operating activities

	Year to 31 March 2023 £	Year to 31 March 2022 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(122,113)</b>	(137,406)
<b>Adjustments for:</b>		
Depreciation charge	<b>31,260</b>	26,738
Decrease (increase) in debtors	<b>562,286</b>	(573,522)
(Decrease) increase in creditors	<b>(124,251)</b>	259,056
<b>Net cash provided by operating activities</b>	<b>347,182</b>	(425,134)

#### B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<b>411,171</b>	583,669
Short term deposits	<b>500,000</b>	—
<b>Total cash and cash equivalents</b>	<b>911,171</b>	583,669

#### C Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	583,669	(172,498)	<b>411,171</b>
Short term deposits	—	500,000	<b>500,000</b>
<b>Total</b>	<b>583,669</b>	<b>327,502</b>	<b>911,171</b>

## **Principal accounting policies Year to 31 March 2023**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2023 with comparative information displayed in respect of the year to 31 March 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charitable company constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

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

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation;
- ◆ estimating accrued expenditure; and
- ◆ determining the apportionment of expenditure between governance and other support costs and between support costs and the various other categories of expenditure.

In addition to the above, the impact of the continuing global coronavirus pandemic unpredictable. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy.

### **Assessment of going concern**

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustees have concluded that greater financial pressures in the wider education system may, in the longer term, result in greater risk in relation to the fundraising for the charity.

However, they believe that the charity is a going concern on the basis of financial forecasts

## **Principal accounting policies Year to 31 March 2023**

and the budgeted level of reserves which are significantly in excess of the minimum level identified in the reserves policy. Based on this, the Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

### **Income recognition**

Income is recognised in the year in which the charitable company is entitled to receipt, it is probable the charitable company will receive the income, and the amount can be measured with reasonable certainty. Income is deferred only when the charitable company has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations, membership fees, fees for work commissioned by third parties, growth funding from the local authority and income from training and events.

The membership period is coterminous with the year end. Any membership fees relating to the following year received in advance of the year end are deferred to the following year.

Fees from work commissioned by third parties and income from training and events are recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the revenue can be reliably measured.

### **Expenditure and the basis of apportioning costs**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to make a payment 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.

All expenditure is accounted for on an accruals basis.

Expenditure on charitable activities includes expenditure associated with the primary charitable purposes as described in the Trustees' report. Such costs include direct costs and an allocation of support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charitable company it is necessary to provide support in the form of financial procedures, IT, office services and equipment and a suitable working environment.

They include governance costs which are the costs associated with the governance of the charitable company and the costs associated with the strategic, as opposed to day to day, management of the charitable company's activities. Support costs are allocated in full to expenditure on charitable activities.

## **Principal accounting policies Year to 31 March 2023**

### **Fixed Assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation. Appropriate expenditure of £1,000 or more is capitalised. Depreciation is recognised on a straight-line basis so as to write off the cost over the useful lives of fixed assets as follows:

Computer equipment and software                      - over 3 years

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

### **Cash at bank and in hand and short-term deposits**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Short term deposits are cash amounts held by the charity with a maturity date of less than one year. They are measured at the cash value of the deposit.

### **Creditors**

Creditors 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. Creditors are recognised at the amount the charitable company anticipates it will pay to settle the debt.

### **Pension costs**

The pension costs represent payments in respect of individuals seconded to the charitable company. These costs are charged to the Statement of Financial Activities in the period to which they relate. The charitable company's only obligation is to pay the pension contributions applicable to the periods during which the relevant individuals are seconded to it.

### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

### **Fund structure**

Unrestricted funds comprise those monies which are freely available for application towards meeting the charitable objectives of the charitable company at the discretion of the Trustees.

Restricted funds represent monies which have been raised for a specific purpose or which are subject to restrictions on their use. Once the purposes have been fulfilled, or the funds used in accordance with the conditions, they are released to unrestricted funds.

Year to 31 March 2023

Notes to the

	Un- restricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>Total</b>	—	—	—	5,894

The donations received in the prior year relate to the purchase of IT devices for donation to member schools.

**2 Income from charitable activities: School improvements**

	Year to 31 March 2023 £	Year to 31 March 2022 £
Membership fees	390,078	382,734
Training and events	189,404	185,832
Interest received	4,774	631
Primary Education support packages	138,637	177,120
Commission for school improvement and other funding from London Borough of Tower Hamlets	406,688	544,763
Other trading activity	77,540	127,197
<b>Total</b>	<b>1,207,121</b>	<b>1,418,277</b>

**3 Expenditure on charitable activities: School improvements**

	Direct £	Support £	Year to 31 March 2023 £
Consultants	328,744	—	328,744
Educational materials and data	94,057	—	94,057
Staff costs	564,174	193,309	757,483
Depreciation	22,613	8,647	31,260
IT costs	—	42,723	42,723
Other support costs	—	74,967	74,967
<b>Total expenditure 2023</b>	<b>1,009,588</b>	<b>319,646</b>	<b>1,329,234</b>

	Direct £	Support £	Year to 31 March 2022 £
Consultants	487,699	—	487,699
Educational materials and data	103,900	—	103,900
Staff costs	612,339	179,124	791,463
Depreciation	19,266	7,472	26,738
IT costs	1,247	81,243	82,490
Other support costs	—	69,287	69,287
<b>Total expenditure 2022</b>	<b>1,224,451</b>	<b>337,126</b>	<b>1,561,577</b>

## Notes to the financial statements Year to 31 March 2023

### 4 Support costs

	Year to 31 March 2023	Year to 31 March 2022
	£	£
Premises costs	38,371	11,636
Staff costs	193,309	11,636
IT costs	42,723	11,636
Depreciation	8,647	11,636
Other expenses	14,731	11,636
Governance costs		11,636
Audit and accountancy fees	21,865	19,763
	<b>319,646</b>	<b>337,126</b>

### 5 Net expenditure

This is stated after charging:

	Year to 31 March 2023	Year to 31 March 2022
	£	£
Operating lease costs	33,967	33,967
Auditor's remuneration:		
Statutory audit	8,625	7,500
Other services: Accounts preparation	1,540	1,400

### 6 Staff costs

No individuals were directly employed by the charitable company during the year (2022 – none). Staff costs below represents the costs of individuals seconded to the charitable company and other staff costs including agency staff, during the year:

	Year to 31 March 2023	Year to 31 March 2022
	£	£
Wages and salaries	564,393	609,459
Other staff costs	19,108	—
Social security costs	72,157	73,677
Pension costs	101,825	108,327
	<b>757,483</b>	<b>791,463</b>

The average number of staff during the year, calculated on a headcount and full-time equivalent basis was as follows:

	2023 FTE	2023 Headcount	2022 FTE	2022 Headcount
Seconded staff	7	7	8	8

## Notes to the financial statements Year to 31 March 2023

### 6 Staff costs (continued)

The number of staff who earned £60,000 or more during the year (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2023 Number	2022 Number
£60,001 – £70,000	1	1
£70,001 – £80,000	3	2
£80,001 – £90,000	1	2
£130,001 – £140,000	1	1

Employer pension contributions in respect of the above higher earners during the year amounted to £95,854 (2022: £101,267).

The key management personnel of the charitable company in charge of directing and controlling, running and operating the charitable company on a day-to-day basis comprise the Trustees and the Executive Team. The total remuneration (including taxable benefits, employer's national insurance contributions and employers pension contributions) of the key management personnel for the year was £481,129 (2022: £500,121).

### 7 Transactions with Trustees

No Trustees were remunerated for services provided as Trustees (2022: none). During the year, no Trustees were reimbursed expenses (2022: none).

Owing to the nature of the charitable company'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 a Trustee may have an interest. Membership subscriptions and services paid for by member schools in which a member of the Board of Trustees has an interest are on an arm's length basis and amounted to £19,984 (2022: £34,968). Supplier payments of £6,182 (2022: £5,823) were paid on an arm's length basis to member schools in which a member of the Board of Trustees has an interest.

One Trustee is appointed on the basis that they undertake the role of Director of Children's Services for the London Borough of Tower Hamlets. In their role with the London Borough of Tower Hamlets they have the ability to influence transactions between the London Borough of Tower Hamlets and the charitable company, subject to such further review and approval as the London Borough of Tower Hamlets may require. In view of the potential conflict of interest (which has been considered and authorised by the other Trustees in accordance with the Companies Act 2006), the other Trustees of the charitable company review and approve transactions with the London Borough of Tower Hamlets. Transactions with the London Borough of Tower Hamlets during the year were as shown in the table which follows.

## Notes to the financial statements Year to 31 March 2023

### 7 Transactions with Trustees (continued)

	Year to 31 March 2023 £	Year to 31 March 2022 £
<b>Income:</b>		
Commission for school improvement and other funding	407,288	544,763
Other	—	—
<b>Expenditure:</b>		
Staff and related costs	738,375	791,463
Premises and other expenses	47,780	40,173
<b>Amount receivable at 31 March</b>	<b>14,900</b>	<b>612,198</b>
<b>Amount payable at 31 March</b>	<b>178,757</b>	<b>398,876</b>

### 8 Taxation

The charitable company is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

### 9 Tangible fixed assets

	Computer equipment £
<b>Cost</b>	
At 1 April 2022	90,634
Additions	19,680
At 31 March 2023	<b>110,314</b>
<b>Accumulated depreciation</b>	
At 1 April 2022	36,092
Charge for the year	31,260
At 31 March 2023	<b>67,352</b>
<b>Net book value</b>	
At 31 March 2023	<b>42,962</b>
At 31 March 2022	54,542

### 10 Debtors

	2023 £	2022 £
Other debtors: Local authority and other funding	16,046	612,918
Trade debtors	52,538	27,775
Prepayments and accrued income	9,823	—
	<b>78,407</b>	<b>640,693</b>



## Notes to the financial statements Year to 31 March 2023

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

	2023 £	2022 £
Trade creditors	206,074	37,916
Accruals and deferred income	216,886	413,056
VAT payable	17,656	110,270
Other creditors	—	3,625
	<b>440,616</b>	<b>564,867</b>

### 12 Lease commitments

The charitable company occupies its premises under a licence issued by the London Borough of Tower Hamlets and at 31 March 2023 the total related commitments under non- cancellable terms were as follows:

	2023 Land and buildings £	2022 Land and buildings £
Amounts due:		
. within one year	8,492	8,492
	<b>8,492</b>	<b>8,492</b>