



**Tower Hamlets Education
Partnership**

**Annual Report and
Financial Statements**

31 March 2021

Charity Registration Number
1173381 (England and Wales)

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

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Legal and administrative information

Trustees	Robert Crothers (Chair) Shahanaz Begum Aziz Choudhury Sir Kevan Collins (<i>to 01.03.21</i>) Christine Gilbert, CBE (<i>to 01.03.21</i>) Debbie Jones (<i>to 02.11.20</i>) Michael Keating Brenda Landers Sir Alasdair Macdonald Owen O'Regan Stephen Purse James Thomas (<i>from 02.11.20</i>)
Executive Team	Tracy Smith, Executive Director Daniel Burton, Director of Secondary Education and Partnerships (<i>from 03.06.20</i>) Brendan Crossan, Director of Operations Alison Gawthrope Director of Primary Education and Partnerships
Registered office	The Professional Development Centre 229 Bethnal Green Road London E2 6AB
Charity registration number	1173381 (England and Wales)
Company registration number	10556338 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	National Westminster Bank Stratford Broadway Gratley House 1-11 Broadway Stratford E15 4DX

Trustees' report Year to 31 March 2021

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 2021.

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 13 to 15 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

As a result of the Covid-19 pandemic and the series of lockdowns, our work over the last year has had to be responsive and we have had to be adaptable.

In March 2020 we quickly adapted our offer, and support, to schools as they began teaching and working remotely. Initially our work centred on supporting the local authority and schools to manage the crisis, helping to set up systems and structures to support schools.

Our work has included:

- Working strategically with the local authority to plan responses to government policy, helping set up hub systems of schooling and supporting schools with day- to-day business under new circumstances;

Trustees' report Year to 31 March 2021

- Introducing a Keeping in Touch (KiT) Bulletin for Headteachers which focuses on supporting them with updates, resources, well-being advice and answering key questions. Initially daily, this is now weekly and an integral part of a communications strategy planned together with the local authority;
- Developing a dedicated Covid-19 area on the website with information and guidance documents, the KiT Bulletin, an online professional learning directory and information about local authority services to schools and parents;
- Developing remote learning resources for children, teachers and parents and sharing these on our website;
- Developing an Online Learning Directory to support professional learning;
- Directly contacting every Headteacher in Tower Hamlets (including non-member schools) to identify the support we can give and to support their well-being;
- Introducing weekly virtual 'coffee mornings' with Headteachers and fortnightly meetings of our Headteacher Reference Group.

We are particularly proud of initiatives that we have undertaken to support remote learning which have centred on our partnership work with the local authority. We have provided around 550 pupils with IT devices to support their home learning and raised substantial donated funds to assist with this. Our peer review work has helped schools to work in clusters to share best practice around remote learning.

Significant work was undertaken from the start of 2020-21 in converting all our professional learning programmes from face-to-face to remote delivery. We invested in an online learning studio to enable us to produce high quality pre-recorded content and live sessions.

We are very conscious of our role in promoting, supporting and facilitating a sense of our member schools as a community and as part of THE Partnership at a very challenging time. Our work supporting remote learning is just one example of how we continue to collaborate and to connect our members. Our Evaluation Survey in January 2021 provided a wealth of positive feedback from our member schools about how effective and valued THE Partnership has been in supporting them.

As a team, our leaders and staff have had to adapt their working practices as a result of Covid-19 and they quickly identified priority work streams and developed a clear plan of what needed to be done. They were provided with, and trained in the use of, appropriate resources and communication channels for effective remote working. In addition, the team was strengthened with the addition of a Director of Secondary Education and Partnerships in June 2020.

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.

Trustees' report Year to 31 March 2021

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 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.

Recruitment and appointment

The Trustees have been selected to include an appropriate mix of educational and business skills and representation of the local community. The Trustee representing the London Borough of Tower Hamlets resigned from both her role at the local authority and as a Trustee. during the year and was replaced as a Trustee by her successor at the London Borough of Tower Hamlets. A survey of existing Trustees was commissioned in early 2021 to identify skills gaps and consequently a Trustee recruitment campaign was undertaken in early 2021. Three new trustees are expected to be appointed by the Board in July 2021.

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. The survey of existing Trustees referred to above identified areas for consideration in future induction and training for Trustees.

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 2021, the charity received no complaints about fundraising activities.

Trustees' report Year to 31 March 2021

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);
- ◆ 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.

Trustees' report Year to 31 March 2021

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 £1,503,656 (2020 - £1,491,750) and total expenditure amounted to £1,560,553 (2020 - £1,336,237), resulting in a deficit for the year of £56,897 (2020 - £155,513 surplus). Total reserves at 31 March 2021 amounted to £851,443 (2020 - £908,340) and the total cash and short-term deposits balance was £1,024,746 (2020 - £618,040). 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 2021, the free reserves (unrestricted funds excluding tangible fixed assets) amounted to £786,106 (2020: £908,340), which exceeds the minimum target level when compared to the expenditure in the year then ended. In the light of plans to invest in a number of development projects as part of our strategy for the expansion of activities, this level of reserves is considered to be appropriate.

Financial position

The balance sheet shows total net assets of £851,443 (2020 - £908,340), 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.

Risk management

The Trustees 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 monitoring reserve levels, by ensuring that there are adequate controls over key financial systems and by periodically reassessing the operational and business risks. At an early stage,

Trustees' report Year to 31 March 2021

the Trustees acknowledged and recognised the potential impact of the COVID-19 pandemic on the future operations of the charitable company, its beneficiaries, partners and stakeholders and on wider society. As a result, the Trustees regularly considered and reviewed these risks and the appropriate mitigating actions.

The Trustees have identified the key risks as set out below.

Reputational risk

This includes the effect of failure to meet financial obligations, loss of charity status, failure to deliver services which have been promised, failure to deliver services of an adequate quality, poor communications and negative comments by third parties. The actions to mitigate these risks include regular monitoring reviews and frequent contact with those with whom we work.

Engagement risk

This includes lack of support from our members and lack of knowledge or recognition by our members and the public of the positive effects of the work that we do. The actions to mitigate these risks include regular consultations with our members and others who benefit from our work. The Evaluation Survey in January 2021 indicated that the engagement and reputational risks are being effectively managed.

Financial risk

This includes failure to meet the budget approved by the Trustees, failure to deliver services within the expected costs and failure to sell services. The actions to mitigate these risks include regular monitoring of the budget by the Trustees, having a flexible cost base which can be adjusted in line with demand and regularly reviewing our service offer. In addition, we will continue to grow and diversify our income to mitigate the risk of over-dependence on a narrow range of income sources. Our ability to successfully manage the financial impact of Covid-19 indicated that the financial risks are being effectively managed.

Staff risk

This includes the loss of key staff which, in addition to creating a risk to the ongoing operations at least in the short-term, could have an impact on the financial, reputational and engagement 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

In 2020-21, the pandemic did not have a material impact on our overall financial position and we were able to plan for 2021-22 accordingly.

Using feedback from our member schools, we have developed our offer for 2021-22. In particular, the Executive Coaching programme for Headteachers, piloted in 2020-21, has been incorporated into our members core service offer and the Primary Additional support packages have been re-modelled. We have enhanced our school improvement framework

Trustees' report Year to 31 March 2021

and we are developing our professional learning programmes to offer a more blended (remote and face-to-face) approach.

THE Partnership is now an established charity with a growing profile. We are excited to be providing services to two additional local authorities in 2021-22. To ensure that we are ready for future growth, we are embarking on a review of our systems and processes, starting with updating our branding and marketing to reflect our current standing and future ambition.

Early in 2021-22 we will commence work on developing our strategic plan for 2022-25, involving all our key stakeholders and ensuring it is reflective of THE Partnership as a collaborative, innovative and school-led organisation.

Approved by the Trustees and signed on their behalf by:

Trustee:



Date:

5 July 2021

Independent auditor's report Year to 31 March 2021

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 2021 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 2021 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.

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

Independent auditor's report Year to 31 March 2021

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.

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

Independent auditor's report Year to 31 March 2021

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
- ◆ 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

Independent auditor's report Year to 31 March 2021

- ♦ 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.

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

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. 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.

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 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from:					
Grants and donations	1	—	60,230	60,230	—
Charitable activities	2	1,443,426	—	1,443,426	1,491,750
Total income		1,443,426	60,230	1,503,656	1,491,750
Expenditure on:					
Charitable activities	3	1,500,323	60,230	1,560,553	1,336,237
Total expenditure		1,500,323	60,230	1,560,553	1,336,237
Net income and net movement in funds	5	(56,897)	—	(56,897)	155,513
Reconciliation of funds:					
Balances brought forward at 1 April 2020		908,340	—	908,340	752,827
Balances carried forward at 31 March 2021		851,443	—	851,443	908,340

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 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Tangible fixed assets	9		65,337		—
Current assets					
Debtors	10	67,171		734,848	
Cash at bank and in hand		524,746		618,040	
Short term deposits		500,000		—	
		1,091,917		1,352,888	
Creditors: amounts falling due within one year	11	(305,811)		(444,548)	
Net current assets			786,106		908,340
Total net assets			851,443		908,340
The funds of the charity:					
Restricted funds	12		—		—
Unrestricted funds					
. General fund			851,443		908,340
			851,443		908,340

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

Trustee: 

Approved on: 

Statement of cash flows Year to 31 March 2021

	Notes	Year to 31 March 2021 £	Year to 31 March 2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	481,397	(169,008)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(74,691)	—
Change in cash and cash equivalents in the year		406,706	(169,008)
Cash and cash equivalents at 1 April 2020	B	618,040	787,048
Cash and cash equivalents at 31 March 2021	B	1,024,746	618,040

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 2021 £	Year to 31 March 2020 £
Net movement in funds (as per the statement of financial activities)	(56,897)	155,513
Adjustments for:		
Depreciation charge	9,354	—
Decrease (increase) in debtors	667,677	(640,200)
(Decrease) increase in creditors	(138,737)	315,679
Net cash provided by (used in) operating activities	481,397	(169,008)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	524,746	618,040
Short term deposits	500,000	—
Total cash and cash equivalents	1,024,746	618,040

C Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
Cash at bank and in hand	618,040	(106,706)	524,746
Short term deposits	—	500,000	500,000
Total	618,040	406,706	1,024,746

Principal accounting policies Year to 31 March 2021

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 2021 with comparative information displayed in respect of the year to 31 March 2020.

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.

As set out in these accounting policies under "assessment of going concern", the Trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

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

Assessment of going concern (continued)

to a period of one year from the date of approval of these financial statements.

The Trustees have concluded that as a result of COVID-19 pandemic, there has been and will continue to be some changes to the way the charity delivers its programmes, and the resulting 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 detailed within the 'Future plans' section within the Trustees' report (see page 7). 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 2021

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
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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.

Notes to the financial statements Year to 31 March 2021

1 Donations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Total	—	60,230	60,230	—

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

2 Income from charitable activities: School improvements

	Year to 31 March 2021 £	Year to 31 March 2020 £
Membership fees	338,423	296,051
Training and events	125,240	250,990
Interest received	384	—
Primary Education support packages	237,500	317,000
Commission for school improvement and other funding from London Borough of Tower Hamlets	741,879	627,709
	1,443,426	1,491,750

3 Expenditure on charitable activities: School improvements

	Direct £	Support £	Year to 31 March 2021 £
Consultants	490,994	—	490,994
Educational materials and data	63,168	—	63,168
Staff costs	570,881	172,268	743,149
Depreciation	4,049	5,305	9,354
IT costs	125,224	52,162	177,386
Other support costs	—	76,503	76,503
Total expenditure 2021	1,254,316	306,237	1,560,553

	Direct £	Support £	Year to 31 March 2020 £
<i>Consultants</i>	<i>458,592</i>	<i>—</i>	<i>458,592</i>
<i>Educational materials and data</i>	<i>119,638</i>	<i>—</i>	<i>119,638</i>
<i>Staff costs</i>	<i>468,801</i>	<i>160,323</i>	<i>629,124</i>
<i>IT costs</i>	<i>—</i>	<i>49,094</i>	<i>49,094</i>
<i>Other support costs</i>	<i>—</i>	<i>79,789</i>	<i>79,789</i>
<i>Total expenditure 2020</i>	<i>1,047,031</i>	<i>289,206</i>	<i>1,336,237</i>

Notes to the financial statements Year to 31 March 2021

4 Support costs

	Year to 31 March 2021 £	Year to 31 March 2020 £
Premises costs	35,670	37,125
Staff costs	172,268	160,323
IT costs	52,162	49,094
Depreciation	5,305	—
Other expenses	21,583	15,531
Governance costs		
. Audit and accountancy fees	19,250	27,133
	306,237	289,206

5 Net expenditure

This is stated after charging:

	Year to 31 March 2021 £	Year to 31 March 2020 £
Operating lease costs	33,697	33,967
Auditor's remuneration:		
. Statutory audit	7,250	7,000
. Other services: Accounts preparation	1,350	1,300

6 Staff costs

No individuals were directly employed by the charitable company during the year (2020 – none). Staff costs below represents the costs of individuals seconded to the charitable company during the year:

	Year to 31 March 2021 £	Year to 31 March 2020 £
Wages and salaries	568,514	481,493
Social security costs	69,345	58,869
Pension costs	105,290	88,761
	743,149	629,123

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

	2021 FTE	2021 Headcount	2020 FTE	2020 Headcount
Seconded staff	8.0	8.0	7.0	7.0

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:

	2021 Number	2020 Number
£60,001 – £70,000	2	1
£70,001 – £80,000	2	2
£80,001 – £90,000	1	1
£120,001 – £130,000	1	1

Employer pension contributions in respect of the above higher earners during the year amounted to £98,112 (2020: £70,084).

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 £461,971 (2020: £357,719).

7 Transactions with Trustees

No Trustees were remunerated for services provided as Trustees (2020: none).

During the year no Trustees were reimbursed expenses (2020: 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 £25,126.

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. The individual undertaking this role and, therefore, acting as a Trustee changed on 2 November 2020. 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 2021

7 Transactions with Trustees (continued)

	Year to 31 March 2021 £	Year to 31 March 2020 £
Income:		
Commission for school improvement and other funding	741,879	627,709
Other	—	250
Expenditure:		
Staff and related costs	743,149	629,123
Premises and other expenses	31,745	114,048
Amount receivable at 31 March 2021	50,000	690,300
Amount payable at 31 March 2021	193,277	320,464

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 £
Cost	
At 1 April 2020	—
Additions	74,691
At 31 March 2021	74,691
Accumulated depreciation	
At 1 April 2020	—
Charge for the year	9,354
At 31 March 2021	9,354
Net book value	
At 31 March 2021	65,337
At 31 March 2020	—

10 Debtors

	2021 £	2020 £
Other debtors: Local authority	50,000	690,300
Trade debtors	17,171	40,598
Prepayments and accrued income	—	3,950
	67,171	734,848

Notes to the financial statements Year to 31 March 2021

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	195	322,238
Accruals and deferred income	204,160	19,179
VAT payable	89,630	97,071
Other creditors	11,826	—
	305,811	438,488

12 Restricted funds

The funds of the charitable company include restricted funds comprising the following balances held on trust to be applied for specific purposes.

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Every Child Online project	—	60,230	(60,230)	—

The total cost of the Every Child Online project was £125,262 of which £65,032 was met from unrestricted funds.

13 Lease commitments

The charitable company occupies its premises under a licence issued by the London Borough of Tower Hamlets and at 31 March 2021 the total related commitments under non-cancellable terms were as follows:

	2021 Land and buildings £	2020 Land and buildings £
Amounts due:		
. within one year	8,492	8,492
	8,492	8,492