

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

Registered Number 07796947 (England and Wales)

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

Members and trustees

C Godber (Chair)
R Roberts *
E Welsh *
T Eardley *(resigned 9 January 2015 and
reappointed 6 May 2015)
C J Robinson (CEO and Accounting Officer)
(designates a member of the Audit Committee)*

Trustees

A C Brewster
D Turrell (staff trustee)
M Bryers
W Boardman (appointed 1 October 2014 and
resigned 31 July 2015)
S Connolly (appointed 1 August 2015)
J Richards (appointed 1 August 2015)

Company Secretary

D H Reed

Senior Management Team:

Chief Executive Officer	C J Robinson
Finance Director	S Mitchell
Head Teachers:	
Ab Kettleby Community Primary School	I Toon
Brownlow Primary School	D Turrell
John Ferneley College	C Stansfield
Somerby Primary School	P Planet
The Grove Primary School	D M Owens

Registered Office

Scaford Road
Melton Mowbray
Leicestershire
LE13 1LH

Company Registration Number

07796947 (England and Wales)

Auditors

RSM UK Audit LLP
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

Bankers

HSBC
17 High Street
Melton Mowbray
Leicestershire
LE13 0TY

Solicitors

Browne Jacobson
44 Castlegate
Nottingham
NG1 7BJ

MOWBRAY EDUCATION TRUST LIMITED
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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

Trustees Report

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2015. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust has had another successful year and noted many benefits arising from the development of the Trust structure in earlier years.

The Trust is made up of 1 secondary school and 4 primary schools in Melton Mowbray. The Academies have a combined pupil capacity of 2,202 and had a roll of 2,113 at 31 August 2015.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Mowbray Education Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Mowbray Education Trust, and includes the operations of the following schools:

- Ab Kettleby Community Primary School
- Brownlow Primary School
- The Grove Primary School (with effect 1 October 2014)
- John Feneley College
- Somerby Primary School

During the previous year ended 31 August 2014, the Academy Trust converted three schools being Ab Kettleby Community Primary School, Brownlow Primary School and Somerby Primary School on the 1 April 2014.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The Trust has taken out third party indemnity insurance to protect the Trustees and Officers against claims arising from negligent acts, errors or omissions occurring whilst on Academy and Trust business. See note 12 for further details.

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Principal activities

The schools within the Trust have been established to provide high quality education to students and to enable those students to achieve success in their education whilst developing their personal skills and enabling them to access whatever their chosen future path may be. The Trust takes its community role seriously and provides resources for the benefit of the community as a whole.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association prescribe the following rules for appointment to the Board of Directors:

- The Members may appoint up to 10 Directors / Trustees
- The Directors may appoint up to 3 Directors / Trustees
- The CEO is a Director / Trustee
- A minimum of 2 parents to be Directors / Trustees if Local Governing Bodies without 2 parents do not exist at each school.

All Directors / Trustees have a term of office of 4 years, save for the CEO, who is a Director for as long as they are employed as CEO. Any Director/Trustee can be re-elected or re-appointed.

Policies and Procedures adopted for the Induction and Training of Trustees

All Trustees are expected to undertake a full induction with the Trust upon their appointment, and will be given relevant supporting documentation. This induction programme provides information on the Trust, its schools, its activities, staff, achievements, and the responsibilities expected of the Trustees.

The Trust also provides access to appropriate training resources procured through the Local Authority and other providers as appropriate.

The Trust is an Investor in People, and as such, believes firmly in the development of all our staff and trustees.

Organisational Structure

The Trustees are charged with overall responsibility for the actions of the Trust and its constituent schools. The Board of Directors / Trustees retains the legal responsibility for all operations of the schools however an agreed Terms of Reference (Scheme of Delegation) is in place with all member schools. These Terms of Reference identify what powers are delegated to the Local Governing Bodies and the Head Teachers of each school. The Directors are listed on page 1. There are 5 Members of the limited liability company, all of whom are Trustees and are separately identified on page 1.

The operating basis of the Terms of Reference is based upon maximising local control and decision making where possible. The level to which this is done is directly linked to the Ofsted rating of each school, with Good or Outstanding schools receiving the most freedoms.

The CEO of the Trust holds the position of Accounting Officer and his statement is included within this Annual Report. The Terms of Reference and all other governing documents can be viewed on the Trust website (www.mowbrayeducation.org) along with all other governing documents.

Connected organisations, including related party relationships

Mowbray Education Trust Limited carried out consultancy for West Grantham Academy Trust Limited, which C J Robinson and S Mitchell are also trustees.

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Risk Management

The charity trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

Objectives and Activities

Objects and Aims

The Trust's objects, as disclosed in our Articles of Association are as follows:

- (a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").
- (b) to promote for the benefit of the inhabitants of area where the Academies are established and its surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

The company is steadfastly focussed on providing an exemplary education to its students, following a broad and balanced curriculum and encouraging development of life skills over and above pure academic competence, in order to facilitate the transition to young adulthood as our students progress through the school.

With the establishment of the Multi Academy Trust, and the widening of the ages of children that the Trust teaches this remains the primary focus.

The Trust has set a 5 year strategy to guide its future development, and this vision is that *"we will be a nationally known and respected educational leader recognised for our student outcomes and the impact of our educational partnerships."*

It is for each individual school within the trust to actively embrace this vision, giving it life; shaping its meaning and distinctive experience in a way which both celebrates difference and the importance of collaboration."

The Trust believes in adding value to the lives of our children and that our purpose is:

1. To achieve outstanding student outcomes for all students within a learning environment that generates:
 - curiosity and creativity;
 - happiness and excitement (most days);
 - a feeling of encouragement and security; and
 - a rich range of extra-curricular and community based opportunities.

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2. To make a difference to the life chances of young people by helping them cope and prosper in an ever changing and challenging world. This covers physical and emotional well-being as well as important knowledge, key skills and a positive attitude to work and life-long learning.
3. To act collaboratively by sharing best practice within the Trust and by engaging with local, regional and national institutions and networks in opinion formation, training and research.
4. To question assumptions about teaching methods, the use of space and organisational systems and processes and to explore the power of new technologies and research-generated ideas to further improve educational outcomes.

The Trust has set out its values as being:

- High expectations
- Collaboration
- High quality training and development of staff
- Innovation

These Trust values are shared and interpreted by all schools, thereby maintaining the individual character of each school.

Public Benefit

The Trustees of the Academy Trust have exercised due regard to the guidance on public benefit published by the Charity Commission in exercising their power and duties. Our provision of education is inclusive and wide ranging, with students able to experience diverse areas of the curriculum and learn key skills for their future lives.

Strategic Report

Achievements and Performance

2014-15 was a year in which the Trust achieved many significant milestones. It incorporated the first year of working together as a Trust with 5 schools and successfully embedded organisation wide operating practices and established new ways of working together, for the benefit of our young people.

The Trust welcomed The Grove Primary School in October 2014 as part of our Trust family. The Directors are delighted that the school has this year, achieved their best ever Key Stage 2 results, following some intensive support that the Trust structure can provide.

The CEO was asked by the Secretary of State to Chair an Interim Emergency Board at a failing school in a different county. The school has just had its latest Ofsted inspection and has emerged from Special Measures. This shows the strength of the Trust to be able to support schools and drive very quick improvements.

The Department for Education approached the Trust in the year with a view to working with two schools in Grantham. The Trust has developed a very warm and productive relationship with the West Grantham Academy Trust (WGAT) and now has a three year support contract in place to drive significant improvements to both the St Hugh's (secondary) and St John's (primary) schools within that Trust. The CEO of Mowbray Education Trust is the Chair of WGAT and the Operations Director also sits as a Director on the WGAT Board.

Our students have again achieved good results in the summer assessment period.

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Secondary Schools

GCSE Results for 2015 once again place John Ferneley College as one of the best performing secondary schools in the region. 67% of students achieved 5A*-C including English and Maths compared to a national average of 54%, with 78% of students achieving 5A*-C GCSEs overall compared to a national average of 64%.

Primary Schools

The pupils at our four primary schools have performed well during the last year, with the Grove Primary School recording their best ever Key Stage 2 results, and all of the schools showing significant progress for their children.

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern can be found in the Statement of Accounting Policies.

Financial Review

This set of accounts lays out the financial performance for the Trust for the year ended to 31 August 2015. Funding is primarily received through the Funding Agreements that the Trust has with the Secretary of State for each school within the Trust. This funding is based upon the number of students on each school's roll, and is restricted for expenditure solely on the purposes of meeting the terms of the Funding Agreement. Funding is lagged for 12 months. Where schools have joined the Trust mid-year the revenue and expenses recognised in the accounts are those which accrue to the schools over that period.

Expenditure during the period has been overseen by the Governing Body of each school, and through its delegated powers to the respective Finance Committees. The Trust Board has oversight of all financial reports and it is the view of this Board that expenditure has been prudent, and managed in accordance with the Trust's financial procedures and policies. The majority of expenditure has been in relation to teaching staff and support costs, as is to be expected with schools.

At 31 August 2015 the Trust had £1,237,491 (2014: £900,965) in cash, with a reported loss before depreciation, transfers between funds and transfer on conversion of £228,142 (2014: £96,355 loss).

Financial and risk management objectives and policies

The Directors take seriously their responsibility to manage all risks pertaining to the organisation to safeguard the future security of the Trust. To this end the Directors seek to ensure that the Trust retains reserves of an appropriate level and our Reserves Policy is shown in this report.

The Board manages its financial risk exposure to credit, cashflow and liquidity risks actively through the Operations and Finance Director, and through oversight by the Audit Committee. The Board have approved an investment policy that directs investment of cash held into suitable investment vehicles restricted solely to those vehicles offered as cash deposit accounts. Trade debtors are minimal in value and in principle, payment in advance is sought from all debtors to minimise risk of bad debt. Credit extended to the Trust from suppliers is used and where appropriate, the Trust seeks to support small local suppliers through prompt payment of invoices.

The Board regularly review the Trust's cash position and ensure that sufficient liquidity is available to safeguard operations.

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Reserves Policy

Reserves are different to annual operating expenditure. Reserves are to be used for strategic development plans of the schools, and activities occurring on a day to day basis should not be funded from reserves.

Reserves belong to the Trust, and are to be used at the discretion of the Directors. It is the Directors' responsibility to ensure that the Trust remains a Going Concern and to hold such reserves that it determines appropriate to support the going concern nature of the Trust, and its individual member schools. It is the Directors' current view that the Trust should hold a minimum of 1 months operating costs as Free Reserves, and should be working towards establishing reserves of 2 month's operating costs. Free Reserves are identified as cash balances over and above the recurring business cycle's cashflow, and which are not committed to any other usage.

The Directors have determined that the charitable company requires reserves for the following purposes:

- To cover statutory obligations and to wind up its own affairs in an orderly way; if so decided
- To provide working capital for projects with late payment dates and to fund initiatives of importance to furthering the objects of the Trust
- To meet the costs of planned major capital expenditure

All these calls on reserves are inter-related, so that reserves ultimately held to cover statutory obligations may be used as working capital in the short term, where it is known that funding will eventually be received. The long term objective is that separate sums should be designated to meet statutory objectives and for working capital needs.

Any unspent funds at the end of each financial year within each school will be transferred to Trust reserves to enable the Directors to assign reserves to any strategic project arising in the future in any school or in the Mowbray Education Trust as a whole. Reserves accruing to each school will be identifiable and be used by the Directors when reviewing applications for use of reserves.

At all times the Directors pay due regard to the benefit of utilising reserves whilst minimising the risk to the Trust of cash flow implications. These reserves held by the Trust at present largely constitute the reserves transferred to it by the Local Authority upon conversion of the schools to Academy status and are therefore not representative of surpluses made in its normal day to day operations.

Investment Policy

The Trustees have approved an Investment Policy that ensures that reserves are being invested in an appropriate manner with due regard to return and risk. It is the policy of the Trust that reserves be invested in approved investment vehicles but should not be fixed for longer than twelve months. The Trustees receive regular reports as to the performance of investments made by the Trust.

Key performance indicators

The performance of the Trust is much more than the financial performance showcased in this set of financial statements. The Trust Board take a holistic view when measuring performance. All schools in the Trust are tracked on the following metrics: the Ofsted grade of each school, academic grades received, internal tracking of performance, the numbers of pupils on roll, capacity, turnover, attendance, etc. These all show improvements on the previous year.

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Key performance indicators (continued)

During the year a programme of Quality Assurance has been rolled out across the Trust. Collaborative working by the head teachers has led to regular feedback and development of each school. Training has been delivered to the Governors of the local governing bodies. The benefits of working together are leading to increased understanding particularly in relation to transition.

Principal Risks and Uncertainties

The Trust's Board of Directors reviews the Risk Register, and ensures that appropriate actions are taken.

The Funding Agreement confirms a 7 year rolling cycle, giving the Directors some reassurance over the potential risk of continuity of funding.

Plans for future periods

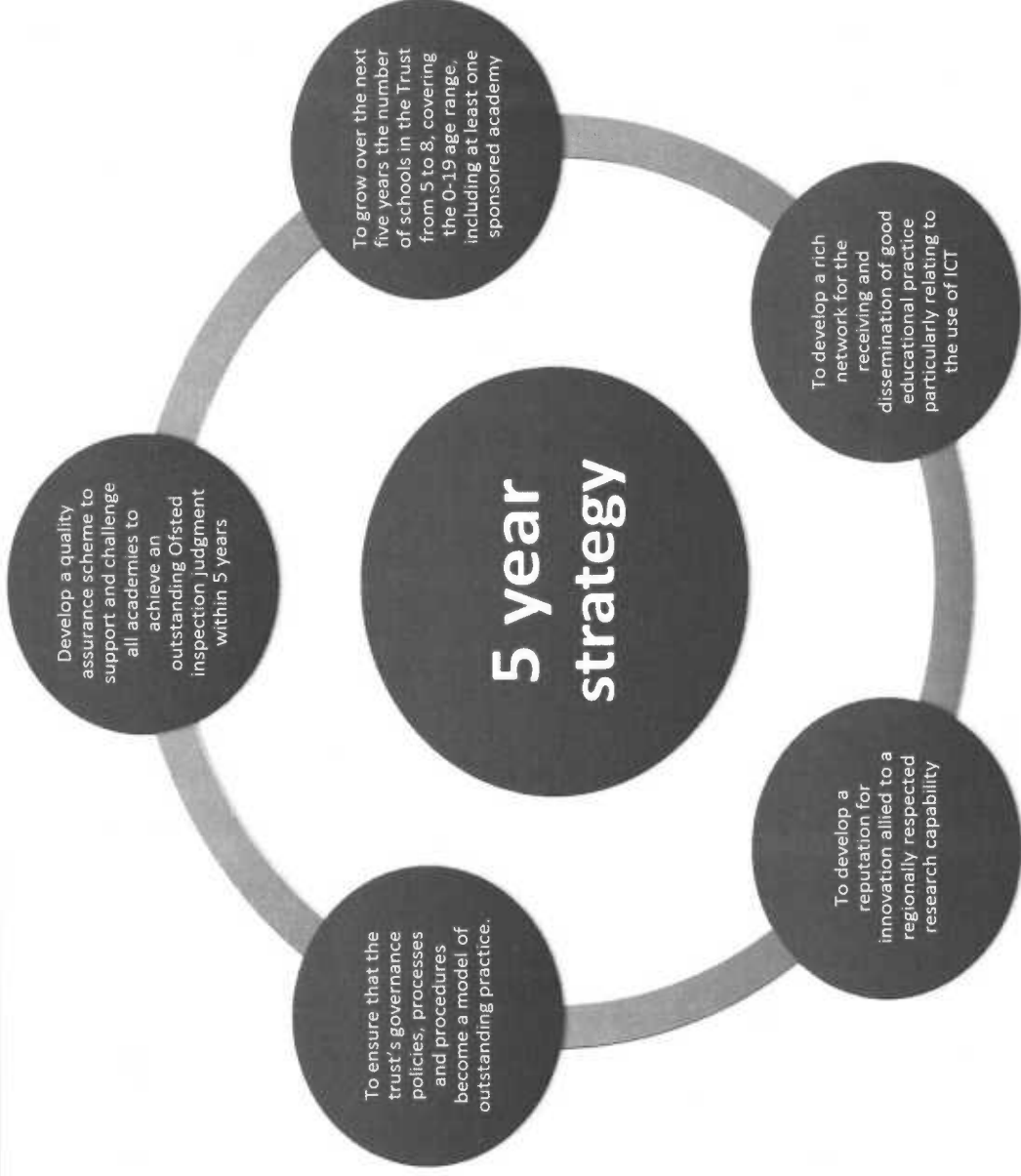
The Trust, as set out in the strategic summary of the plans set out overleaf, has plans to consolidate the growth of the Trust over the coming period, ensuring that excellent standards are maintained across all schools and to support the development of all member schools.

The Trust Board has indicated a strategic intent to grow the size of the Trust over the next 5 years and will seek to take advantage of opportunities as they arise. The 5 year strategy of the Trust can be summarised in these bullet points:

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Plans for future periods (continued)

The Trustees are focussed on ensuring that our schools continue their excellent path of growth with regard to results at Key Stages 1-4, and have reviewed management forecasts and plans which indicate continued success.

Funds held as Custodian Trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Auditors

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 9 December 2015 and signed on its behalf by:



C Godber
Chair

MOWBRAY EDUCATION TRUST LIMITED
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GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both probity and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Mowbray Education Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 9 times during the year. Attendance during the year at meetings of the board of trustees and constituent sub committees, were as follows:

Trustees	Eligible Meetings	Meetings Attended
C Godber (Chair)	9	9
M Bryers	9	7
T Eardley	6	6
R Roberts	11	11
E Welsh	11	9
D Turrell	9	8
A C Brewster	9	8
C J Robinson (CEO)	15	15
W Boardman	7	4
S Connolly	-	-
J Richards	-	-

The Board has acted resolutely throughout the period and has overseen some very large changes to the structure of the organisation. The Trustees are proud of the success of these changes and the smoothness by which the transitions have taken place.

Governance Reviews

The Trust Board regularly reviews its performance. As part of the restructure of the governance model during the year all committees were reviewed and new terms of reference drawn up. All Trustees have signed a Code of Conduct, and a regular review of Board efficiency and effectiveness will be undertaken.

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Review of Value for Money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year as stated below.

Mowbray Education Trust is proud of our students and the tremendous results they achieve. We are not existing just to provide a route to secure qualifications, but facilitating access to the next stage of each and every student's life, through from Key Stage 1 to 4. This manifests itself in the broad range of the curriculum offered, the extra-curricular activities available, and the social development opportunities that exist within our group of schools

Education Delivery

We are **committed to raising attainment standards and continuously improving educational results**

The Trust has implemented a **model of assertive tracking** and **Quality Assurance** that we really believe is second to none. It allows us to monitor the progress each student is making, across all lessons and to intervene where need be, and to give focussed and relevant praise in areas of high achievement. The **staffing structure is under continuous review**, and we employ a **wide range of excellent staff**, allowing teachers with the expertise to **drive enhancement of the curriculum**. The growth of the MAT is allowing us opportunities for the further development of staff and sharing of expertise between schools where needs are identified.

We have a huge belief in the **importance of place** as being key to the learning of students. Our school sites are of key importance to education as a whole and we invest to ensure our students have the best facilities available to support their learning. Over the last 12 months Brownlow Primary School has benefitted from a complete rebuild of their dining facilities and the Grove Primary School has had a new kitchen installed, allowing both schools for the first time in years to have their school lunches cooked on site. John Ferneley has further improved the provision of classroom space, enabling it to offer a diverse range of subjects at Key Stage 4 and improve utilisation of the site. Ab Kettleby and Somerby Primary Schools have had significant investments in improving their IT infrastructure.

We continue to believe in the value of high quality teaching. We monitor this on a regular basis, and invest in appropriate CPD, and resources to drive up the levels of outstanding teaching across all of our schools.

Our activities are having a **quantifiable effect**. We have implemented cross school **Quality Assurance** inspections, which are helping to drive forward the development of joined up Self Evaluation Documents, and School Improvement Plans.

KS4 results for 2015 are:

- 78% of cohort achieved 5A*-C GCSEs, vs a national average of 64%
- 67% of cohort achieved 5A*-C GCSEs including English and Maths, vs a national average of 54%.
- 15 out of 18 subjects improved their performance over 2014

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Review of Value for Money (continued)

Attendance is continually improving due largely to the intensive work programme put in place to monitor and follow up on all non-attendance issues. However, a real success is seen in **persistent absenteeism**. This has seen a decrease to 4.3% in the secondary school with comparable numbers in the primary schools.

Financial performance for the Trust during the year has been sound, albeit against a position of tightening funding arrangements and increasing costs. The Trust's reserves remain healthy, and the Board are committed to ensuring that reserves are used for projects that will benefit our students. The Board however are cognisant of their requirement to maintain healthy reserves so that future needs can be met.

Financial Governance and Oversight

We recognise our **obligation to act transparently** and to use public funds with probity and responsibility. The Academy has, in 2012/13 **overhauled its financial management system**, installing a class leading new software programme that will facilitate the future growth of the Trust. The Finance Director has also implemented **Financial Assurance Standards**, delivering a road map for continued financial improvement.

The Trust has a robust Audit Committee that oversees the financial activities of the Trust and that challenges the Executive on financial management and reporting, and regularly reports to the full Board. Each school has their own Finance committee where the Governors hold the respect SLT's to account. The Trust utilise the same finance system across all schools within the Trust ensuring probity, transparency and accountability is paramount. The financial governance model of the Academy includes an Accounting Officer, who is also the CEO of the Trust and the Accounting Officer completes a declaration that is included in the statutory accounts as to the discharge of their duties.

The Audit Committee has a policy of **ensuring value for money at all times** and all schools have requirements for similar focus, including a comprehensive procurement protocol, where 3 quotes are required for purchases over £10,000. All purchases have dual signatory requirements to ensure probity. The Finance Committee of each school consider the **opportunity cost** of any investment, and **the projected return** of any investment decisions. This ensures that money is effectively spent and is **targeted on activities** that are most relevant to the school's development and the attainment of students.

During 2014/15 all service contracts were reviewed and where appropriate renegotiated to get the best mix of quality and effectiveness, whilst ensuring value for money.

The Trust has a focus on increased **revenue generation** where possible, and is actively seeking new revenue streams. There is a recognition that driving unrestricted funds through commercial activities will be of benefit to the pupils as monies made can be reinvested in resources for the furtherance of education. The Board though are acutely aware that such commercial activities should not be followed to the detriment of the educational provision within each of the schools.

Management accounts are produced monthly and shared with staff throughout the Trust as well as the Audit Committee and Local Governing Bodies. Cash and bank balances that are not required for working capital are invested in a higher return account, and regularly reviewed.

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The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mowbray Education Trust Limited for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Leicestershire County Council as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On an annual basis the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

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Review of Effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:


- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 9 December 2015 and signed on its behalf by:



C Godber
Chair



C J Robinson
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

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

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

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



C J Robinson
Accounting Officer

9 December 2015

MOWBRAY EDUCATION TRUST LIMITED
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Mowbray Education Trust Limited and are also the Directors of the Charitable Company for the purposes of company law), are responsible for preparing the Trustees' Report (including Strategic Report) and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the statement of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure 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 the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the 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.

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

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

Approved by order of the members of the Board of Trustees on 9 December 2015 and signed on its behalf by:



C Godber
Chair

MOWBRAY EDUCATION TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOWBRAY
EDUCATION TRUST LIMITED
FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the financial statements of Mowbray Education Trust Limited for the year ended 31 August 2015 on pages 20 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, of the state of the Charitable Company's affairs as at 31 August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MOWBRAY EDUCATION TRUST LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOWBRAY
EDUCATION TRUST LIMITED
FOR THE YEAR ENDED 31 AUGUST 2015

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records 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.

RSM UK Audit LLP

Gareth Jones (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicestershire
LE19 1SD

Date 11/12/15

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account and Statement of Recognised
Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2015 Total £	2014 Total £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
- Voluntary income -transfer from Local Authority on conversion	26	194,044	(524,000)	1,317,700	987,744	2,885,851
- Voluntary income	2	8,113	-	910,261	918,374	6,939
- Activities for generating funds	3	340,374	-	-	340,374	274,182
- Investment income	4	5,338	-	-	5,338	4,651
<i>Incoming resources from charitable activities:</i>						
- Funding for the Academy's educational operations	5	-	8,777,706	-	8,777,706	6,043,202
Total incoming resources		547,869	8,253,706	2,227,961	11,029,536	9,214,825
Resources expended						
<i>Cost of generating funds:</i>						
- Fundraising trading		160,090	-	-	160,090	144,965
<i>Charitable activities:</i>						
- Academy's educational operations	7	-	9,266,869	1,270,594	10,537,463	6,743,060
<i>Governance costs</i>	8	-	26,225	-	26,225	20,017
Total resources expended	6	160,090	9,293,094	1,270,594	10,723,778	6,908,042
Net incoming/(outgoing) resources before transfers		387,779	(1,039,388)	957,367	305,758	2,306,783
Gross transfer between funds	16	(468,356)	381,388	86,968	-	-
Net (expenditure)/income before other recognised gains and losses		(80,577)	(658,000)	1,044,335	305,758	2,306,783
<i>Other recognised gains and losses:</i>						
Actuarial losses on defined benefit pension scheme	24	-	(76,000)	-	(76,000)	(664,000)
Net movement in funds		(80,577)	(734,000)	1,044,335	229,758	1,642,783
Reconciliation of funds						
Total funds brought forward		459,530	(2,082,000)	21,960,928	20,338,458	18,695,675
Total fund carried forward	16	378,953	(2,816,000)	23,005,263	20,568,216	20,338,458

All the Academy Trust's activities are derived from continuing operations during the year and the converted primary school of Grove Primary School during the year.

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

BALANCE SHEET AT 31 AUGUST 2015

COMPANY NUMBER: 07796947

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	13	23,005,263	21,960,928
Current assets			
Debtors	14	719,447	170,280
Cash at bank and in hand		1,237,491	900,965
		<u>1,956,938</u>	<u>1,071,245</u>
Creditors: amounts falling due within one year	15	(1,577,985)	(611,715)
Net current assets		<u>378,953</u>	<u>459,530</u>
Net assets excluding pension liability		23,384,216	22,420,458
Pension scheme liability	24	(2,816,000)	(2,082,000)
Net assets including pension liability		<u>20,568,216</u>	<u>20,338,458</u>
Funds of the academy trust:			
Restricted funds			
- Fixed asset fund	16	23,005,263	21,960,928
- Restricted funds excluding pension reserve		23,005,263	21,960,928
- Pension reserve	16	(2,816,000)	(2,082,000)
Total restricted funds		<u>20,189,263</u>	<u>19,878,928</u>
Total Unrestricted income funds	16	378,953	459,530
Total funds	16	<u>20,568,216</u>	<u>20,338,458</u>

The financial statements on pages 20 to 39 were approved by the trustees and authorised for issue on 9 December 2015 and are signed on their behalf by:



C Godber
Chair

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	19	(448,594)	44,343
Return on investments and services of finance	20	5,338	4,651
Capital expenditure	21	729,782	12,203
Net funds – transferred on conversion		<u>50,000</u>	<u>102,734</u>
Increase in cash in the year	22	336,526	163,931
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September		<u>900,965</u>	<u>737,034</u>
Net funds at 31 August	22	<u>1,237,491</u>	<u>900,965</u>

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1. Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2014 to 2015 ('SORP 2005') issued by the Education Funding Agency and the Companies Act 2006.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

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

Conversion of new schools

The conversion of state maintained schools in to the Academy Trust involved the transfer of identifiable assets and liabilities and the operation of one school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the school to the multi academy company have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out in Mowbray Education Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised as a transfer from Local Authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 26.

Incoming resources

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

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet.

General Annual Grant (GAG) from the Dfe, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. Statement of Accounting Policies (continued)

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

- **Donations**
Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- **Other income**
Other income including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.
- **Interest receivable**
Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources expended

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

- **Costs of generating funds**
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable activities**
These are costs incurred on the Academy Trust's educational operations.
- **Governance costs**
These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose and continued use they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset by charging depreciation of the relevant asset directly against the restricted fixed asset fund.

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1. Statement of Accounting Policies (continued)

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

Long leasehold buildings	Over 50 years
Fixtures and equipment	Over 5 or 20 years
Computer equipment	Over 3 years
Motor vehicles	Over 10 years

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

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the government actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. Statement of Accounting Policies (continued)

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency where the asset acquired or created is held for a specific purpose on a continuing basis.

Restricted general funds are resources subject to specific restriction imposed by funders or donors and include grants from the Education Funding Agency or the Department for Education.

2. Voluntary Income

	Unrestricted Funds £	Restricted Fixed Asset £	2015 Total £	2014 Total £
DfE/EFA Capital Grants	-	536,804	536,804	-
Capital donations	-	373,457	373,457	-
Other donations	8,113	-	8,113	6,939
	8,113	910,261	918,374	6,939

3. Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Academy trips	137,660	-	137,660	176,049
Hire of facilities	37,777	-	37,777	19,564
Sundry income	164,937	-	164,937	78,569
	340,374	-	340,374	274,182

4. Investment Income

	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Bank interest receivable	5,338	-	5,338	4,651

5. Funding for academy's educational operations

	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
DfE / EFA revenue grants				
- General Annual Grant (GAG)	-	7,996,364	7,996,364	5,510,228
- DfE/EfA capital grants	-	-	-	40,047
- Other DfE/EFA grants	-	470,673	470,673	211,190
	-	8,467,037	8,467,037	5,761,465
Other Government grants				
- Local authority grants	-	155,913	155,913	218,754
- Special educational projects	-	154,756	154,756	62,983
	-	310,669	310,669	281,737
Total	-	8,777,706	8,777,706	6,043,202

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. Resources expended

	Staff Costs £	Non pay expenditure Premises costs £	Other costs £	2015 Total £	2014 Total £
Fundraising trading	-	-	160,090	160,090	144,965
Academy's educational operations					
- Direct costs	6,078,035	-	749,680	6,827,715	4,498,958
- Allocated support costs	1,158,495	1,847,917	703,336	3,709,748	2,244,102
	<u>7,236,530</u>	<u>1,847,917</u>	<u>1,453,016</u>	<u>10,537,463</u>	<u>6,888,025</u>
Governance costs including allocated support costs	-	-	26,225	26,225	20,017
	<u>7,236,530</u>	<u>1,847,917</u>	<u>1,639,331</u>	<u>10,723,778</u>	<u>6,908,042</u>

Net incoming/(outgoing) resources for the year include:

	2015 £	2014 £
Operating leases - other	150,672	62,768
Fees payable to RSM UK Audit LLP - audit	15,000	10,175
- other services	11,225	9,842
	<u>176,897</u>	<u>82,790</u>

7. Charitable Activities – Academy's educational operations

	2015 Total £	2014 Total £
Direct costs:		
Teaching and educational support staff costs	6,078,035	3,960,579
Educational supplies	337,473	174,569
Examination and assessment costs	77,465	92,393
Staff development	101,916	20,912
Other direct costs	232,826	250,505
	<u>6,827,715</u>	<u>4,498,958</u>
Allocated support costs:		
Support staff costs	1,158,495	793,687
Depreciation	453,844	482,713
Recruitment and support	46,275	52,690
Maintenance of premises and equipment	1,007,369	190,897
Cleaning	96,884	123,675
Rent and rates	59,889	65,461
Insurance	111,983	47,022
Security and transport	69,519	9,127
Bank interest and charges	17,392	2,617
Pension finance costs	57,000	43,000
Other support costs	631,098	433,213
	<u>3,709,748</u>	<u>2,244,102</u>
Total	<u>10,537,463</u>	<u>6,743,060</u>

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. Governance Costs

	2015	2014
	Total	Total
	£	£
Auditor's remuneration:		
– Audit of financial statements	15,000	10,175
– Other services	11,225	9,842
	26,225	20,017

9. Central Services

The academy trust has provided the following central services to its academies during the year:

- full human resource and payroll services.
- oversight and co-ordination of financial services.
- oversight and co-ordination of estates and health and safety.
- executive management.

The trust charges for these services on the following basis:

- 3.9% of GAG income for OFSTED grading good or outstanding.
- 4.9% of GAG income for OFSTED grading required improvement.
- 5.9% of GAG income for OFSTED grading serious weaknesses or worse.

The actual amounts charged during the year were as follows:

	2015
	£
Ab Kettleby Community Primary School	11,845
Brownlow Primary School	72,015
John Ferneley College	181,270
Somerby Primary School	9,883
Grove Primary School	47,365
	322,378

10. Staff numbers and costs

Staff costs

Staff costs during the year were:

	2015	2014
	£	£
Wages and salaries	5,968,337	3,846,930
Social security costs	393,698	272,322
Pension costs	604,770	562,724
Total staff costs	6,966,805	4,681,976
Supply teacher costs	269,725	72,290
Total	7,236,530	4,754,266

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

10. Staff numbers and costs (continued)

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2015	2014
	No.	No.
Educational operations		
Teachers	308	267
Administration and support	61	51
Management	7	10
	376	328

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2015	2014
	No.	No.
Educational operations		
Teachers	172	110
Administration and support	72	60
Management	7	10
	251	180

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

	2015	2014
	No.	No.
£60,001 - £70,000	4	1
£70,001 - £80,000	-	1
£80,000 - £90,000	1	-
£100,001 - £110,000	1	-
£110,000 - £120,000	-	1
	-	1

Four of the above employees participated in the Teachers' Pension Scheme. The remainder of the employees participated in the Local Government Pension Scheme.

11. Trustees' remuneration and expenses

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

	2015	2014
	£	£
C J Robinson, CEO and Accounting Officer	107,424	110,699

He is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £Nil. (2014: £9,310).

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. Trustees' remuneration and expenses (continued)

D Turrell (staff trustee) received remuneration of £68,961 (2014: £28,440). The staff trustee is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £8,775 (2014: £4,010).

During the year ended 31 August 2015, two trustees received travel expenses amounting to £1,280 (2014: £227).

Other related party transactions involving the trustees are set out in note 25.

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,300 (2014: £1,243).

The cost of this insurance is included in the total insurance cost.

13. Tangible Fixed Assets

	Long leasehold land and buildings £	Fixtures and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
1 September 2014	22,844,330	125,369	586,507	30,375	23,586,581
Transfer on conversion (note 26)	1,317,700	-	-	-	1,317,700
Additions	-	139,375	41,104	-	180,479
31 August 2015	<u>24,162,030</u>	<u>264,744</u>	<u>627,611</u>	<u>30,375</u>	<u>25,084,760</u>
Depreciation					
1 September 2014	1,015,447	35,329	565,798	9,079	1,625,653
Charged in year	406,467	24,549	19,716	3,112	453,844
31 August 2015	<u>1,421,914</u>	<u>59,878</u>	<u>585,514</u>	<u>12,191</u>	<u>2,079,497</u>
Net book values					
31 August 2015	<u>22,740,116</u>	<u>204,866</u>	<u>42,097</u>	<u>18,184</u>	<u>23,005,263</u>
31 August 2014	<u>21,828,883</u>	<u>90,040</u>	<u>20,709</u>	<u>21,296</u>	<u>21,960,928</u>

14. Debtors

	2015 £	2014 £
Trade debtors	28,378	2,626
VAT recoverable	84,875	81,883
Prepayments and accrued income	84,002	82,848
Other debtors	522,192	2,923
	<u>719,447</u>	<u>170,280</u>

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

15. Creditors: amounts falling during within one year

	2015 £	2014 £
Trade creditors	381,349	319,541
Other taxation and social security	124,466	98,290
Other creditors	978,901	108,540
Accruals and deferred income	93,269	85,344
	1,577,985	611,715

Deferred Income

	2015 £
Deferred income at 1 September 2014	22,005
Amount released in the year	(22,005)
Resources deferred in the year	48,410
Deferred income at 31 August 2015	48,410

The deferred income of £48,410 (2014: £22,005) relates to trip money paid in advance by parents for events occurring in the year ended 31 August 2016.

16. Funds

	At 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2015 £
Restricted general funds					
General Annual Grant (GAG)	-	7,996,364	(8,377,752)	381,388	-
Other government grants	-	310,669	(310,669)	-	-
Other DfE/EFA grants	-	470,673	(470,673)	-	-
Pension reserve	(2,082,000)	(524,000)	(134,000)	(76,000)	(2,816,000)
	(2,082,000)	8,253,706	(9,293,094)	305,388	(2,816,000)
Restricted fixed asset funds					
DfE/EFA capital grants	60,416	910,261	(826,347)	-	144,330
Long leasehold land and building conversion	21,788,553	1,317,700	(406,467)	-	22,699,786
Other tangible assets on conversion	44,224	-	(25,106)	-	19,118
Capital expenditure from other funds	67,735	-	(12,674)	86,968	142,029
	21,960,928	2,227,961	(1,270,594)	86,968	23,005,263
Total restricted funds	19,878,928	10,481,667	(10,563,688)	392,356	20,189,263
Total unrestricted funds	459,530	547,869	(160,090)	(468,356)	378,953
Total funds	20,338,458	11,029,536	(10,723,778)	(76,000)	20,568,216

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

16. Funds (continued)

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

Restricted general funds

This fund represents grants received for the Academy's operational activities and development. This includes the pension reserve which represents the potential liability due by the Academy at the year end.

Fixed asset fund

This fund represents the net book value of fixed assets that the Academy have purchased out of grants received and have been transferred on conversion.

Unrestricted funds

The unrestricted funds represent funds available to the Trustees to apply for the general purposes of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2015.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	2015	2014
	£	£
Ab Kettleby Community Primary School	-	(38,168)
Brownlow Primary School	100,170	10,061
John Ferneley College	-	(114,645)
Somerby Primary School	18,286	47,189
Mowbray Education Trust	237,621	555,093
Grove Primary	22,876	-
Total before fixed asset fund and pension reserve	<u>378,953</u>	<u>459,530</u>
Restricted fixed asset fund	23,005,263	21,960,928
Pension reserve	(2,816,000)	(2,082,000)
	<u><u>20,568,216</u></u>	<u><u>20,338,458</u></u>

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

16. Funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching & Educational Support Staff costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding depreciation)	Total
	£	£	£	£	£
Ab Kettleby Community Primary School	219,243	27,683	8,434	67,439	322,799
Brownlow Primary School	1,622,974	138,595	75,152	1,139,680	2,976,401
John Ferneley College	3,220,637	568,651	221,361	1,039,441	5,050,090
Somerby Primary School	166,771	15,395	11,615	53,284	247,065
Mowbray Education Trust	77,000	238,727	-	217,614	533,341
Grove Primary School	848,410	92,444	12,485	186,899	1,140,238
	<u>6,155,035</u>	<u>1,081,495</u>	<u>329,047</u>	<u>2,704,357</u>	<u>10,269,934</u>

17. Analysis of net assets between funds

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets	-	-	23,005,263	23,005,263
Current assets	1,956,938	-	-	1,956,938
Current liabilities	(1,577,985)	-	-	(1,577,985)
Pension scheme liability	-	(2,816,000)	-	(2,816,000)
Total net assets at 31 August 2015	<u>378,953</u>	<u>(2,816,000)</u>	<u>23,005,263</u>	<u>20,568,216</u>

18. Financial commitments

At 31 August 2015, the academy had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
<u>Other</u>		
Expiring within one year	25,739	2,419
Expiring within two and five years inclusive	102,099	104,724
	<u>127,838</u>	<u>107,143</u>

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

19. Reconciliation of net income to net cash (outflow)/inflow from operating activities

	2015	2014
	£	£
Net income	305,758	2,306,783
Transfer on conversion (note 26)	(987,744)	(2,885,851)
Depreciation (note 13)	453,844	482,713
Capital grants from DfE and other capital income	(910,261)	(40,047)
Interest receivable (note 4)	(5,338)	(4,651)
FRS 17 pension cost less contributions payable (note 24)	77,000	5,000
FRS 17 pension finance income (note 24)	57,000	43,000
Increase in debtors	(405,123)	(105,377)
Increase in creditors	966,270	242,773
Net cash (outflow)/inflow from operating activities	(448,594)	44,343

20. Returns on investments and servicing of finance

	2015	2014
	£	£
Interest received	5,338	4,651
Net cash inflow from returns on investment and servicing of finance	5,338	4,651

21. Capital expenditure and financial investment

	2015	2014
	£	£
Purchase of tangible fixed assets	(180,479)	(27,844)
Capital grants from DfE/EFA	910,261	40,047
Net cash inflow from capital expenditure and financial investment	729,782	12,203

22. Analysis of changes in net funds

	At 1 September	Cash flows	At 31 August
	2014	£	2015
	£	£	£
Cash in hand and at bank	900,965	336,526	1,237,491

23. Members' Liabilities

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

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £41,000 (2014: £38,402) were payable to the scheme at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%.

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £292,720 (2014: £362,256).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £405,000 (2014: £254,000) of which employer's contributions totalled £312,000 (2014: £254,000) and employees' contribution totalled £93,000 (2014: £59,000). The agreed rates for future years are 20.3% per cent for employers and 5.5% per cent for employees.

Principal actuarial assumptions

	2015 £'000	2014 £'000
Rate of increase in salaries	4.5%	4.4%
Rate of increase for pensions in payment	2.6%	2.6%
Discount rate	3.7%	3.7%
Inflation (CPI)	2.6%	2.6%

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

	2015 Years	2014 Years
Retiring today:		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years:		
Males	24.2	24.2
Females	26.6	26.6

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £	Expected return at 31 August 2014	Fair value at 31 August 2014 £
Equities	3.7%	1,659,000	6.3%	1,186,000
Bonds	3.7%	528,000	3.3%	288,000
Property	3.7%	276,000	4.5%	169,000
Other assets	3.7%	50,000	3.3%	51,000
Total market value of assets		2,513,000		1,694,000
Present value of scheme liabilities funded		(5,329,000)		(3,776,000)
Deficit in the scheme		(2,816,000)		(2,082,000)

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. Pension and similar obligations (continued)

The expected return on assets is a weighted average of the assumed long term returns of various asset classes.

The actual return on scheme assets was £93,000 (2014: £172,000)

Amounts recognised in the statement of financial activities

	2015	2014
	£	£
Current service cost (net of employee contributions)	389,000	200,000
Total operating charge	389,000	200,000

Analysis of pension finance income/(costs)

	2015	2014
	£	£
Expected return on pension scheme assets	121,000	79,000
Interest on pension liabilities	(178,000)	(122,000)
Pension finance costs	(57,000)	(43,000)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £1,188,000 loss (2014: £1,112,000 loss).

Movements in the present value of defined benefit obligations were as follows:

	2015	2014
	£	£
At 1 September	3,776,000	2,145,000
Current service cost	389,000	200,000
New academies on conversion	886,000	992,000
Employee contributions	93,000	59,000
Actuarial loss	48,000	296,000
Interest cost	178,000	122,000
Estimated benefits paid	(41,000)	(38,000)
At 31 August	5,329,000	3,776,000

Movements in the fair value of academy's share of scheme assets

	2015	2014
	£	£
At 1 September	1,694,000	1,095,000
New academies on conversion	362,000	453,000
Expected return on assets	121,000	79,000
Actuarial loss	(28,000)	(149,000)
Employer contributions	312,000	195,000
Employee contributions	93,000	59,000
Estimated benefits paid	(41,000)	(38,000)
At 31 August	2,513,000	1,694,000

The estimated value of employer contributions for the year ended 31 August 2016 is £332,000.

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. Pension and similar obligations (continued)

The four year history of experience adjustments is as follows:

	2015 £	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(5,329,000)	(3,776,000)	(2,145,000)	(1,842,000)
Fair value share of scheme assets	2,513,000	1,694,000	1,095,000	808,000
Deficit in the scheme	(2,816,000)	(2,082,000)	(1,050,000)	(1,034,000)
Experience adjustments on share of scheme assets	(28,000)	(149,000)	60,000	6,000
Experience adjustments on scheme liabilities	10,000	238,000	-	-

25. Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year, the Mowbray Education Trust Limited carried out consultancy for West Grantham Academy Trust Limited which C J Robinson and S Mitchell are also trustees. The charge for the consultancy fees during the year are £19,280 (2014: £Nil) and the amount owed to Mowbray Education Trust Limited at the year ended was £16,414.

26. Conversion on an academy company

On 1 October 2014 Grove Primary School converted to Academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Mowbray Education Trust Limited from Leicestershire County Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as Voluntary income -transfer from Local Authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted General funds £	Restricted fixed asset funds £	Total £
Long leasehold buildings	-	-	1,317,700	1,317,700
Budget supply LA funds	194,044	-	-	194,044
LGPS pension deficit	-	(524,000)	-	(524,000)
Net assets/liabilities	194,044	(524,000)	1,317,700	987,744

During the previous year ended 31 August 2014, the Academy Trust converted three schools being Ab Kettleby Community Primary School, Brownlow Primary School and Somerby Primary School on the 1 April 2014.

MOWBRAY EDUCATION TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

27. Post Balance Sheet Event

Since the year end, the Academy Trust set up a trading subsidiary being Mowbray Education Trust Services Limited, which was incorporated on 2 September 2015 and the entire share capital his owned by Mowbray Education Trust Limited. Since its incorporation, Mowbray Education Trust Services Limited has remained dormant and has not traded.

MOWBRAY EDUCATION TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MOWBRAY EDUCATION TRUST LIMITED AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2015

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Mowbray Education Trust Limited during the period ended 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Mowbray Education Trust Limited accounting officer and the reporting accountants

The accounting officer is responsible, under the requirements of Mowbray Education Trust Limited funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion

Our engagement includes examination on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

MOWBRAY EDUCATION TRUST LIMITED

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO MOWBRAY EDUCATION TRUST LIMITED AND THE
EDUCATION FUNDING AGENCY**

FOR THE YEAR ENDED 31 AUGUST 2015

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)

Chartered Accountants
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Date 11/12/15