

The Mossbourne Federation

Consolidated Report and Financial Statements

31 August 2020

Company Limited by Guarantee
Registration Number
4468267 (England and Wales)



**M O S S B O U R N E
F E D E R A T I O N**

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Legal and administrative information

Sponsor	Sir Clive Bourne Charitable Trust
Members	Lady Joy Bourne Robert Feld Daniel Flitterman Don Hayes Geoff Levy Sylvie Pierce
Secretary	Don Hayes
Registered office	100 Downs Park Road London E5 8JY
Company registration number	4468267 (England and Wales)
Directors	Henry Colthurst (Chair) Robert Feld (Chair of Mossbourne Victoria Park Academy) Peter Hughes (Chief Executive Officer) Maggie Kalnins Samantha Lloyd (Chair of Mossbourne Riverside Academy) Sylvie Pierce (Vice-Chair & Chair of Mossbourne Community Academy) Jenny Watson (Chair of Mossbourne Parkside Academy) Philip Woodhouse Andrew Cartwright (Chair of Finance Committee)
Key management personnel	Peter Hughes (Chief Executive Officer) Nicholas Rutherford (Principal - Mossbourne Victoria Park Academy) Amy Wood (Principal - Mossbourne Riverside Academy) Rebecca Warren (Principal - Mossbourne Community Academy) Jane Sames (Principal - Mossbourne Parkside Academy) Dipo Odunsi (Chief Operating Officer)

Legal and administrative information

Independent Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers

National Westminster Bank Plc
PO Box 8038
3rd Floor
20 Amhurst Road
London
E8 1JL

HSBC Bank Plc
53-55 Uxbridge Road
Ealing
London
W5 5SA

Brown, Shipley & Co Limited
Founders Court
Lothbury
London
EC2R 7HE

Lloyds Bank Plc
39 Threadneedle Street
London
EC2R 8AU

Solicitors

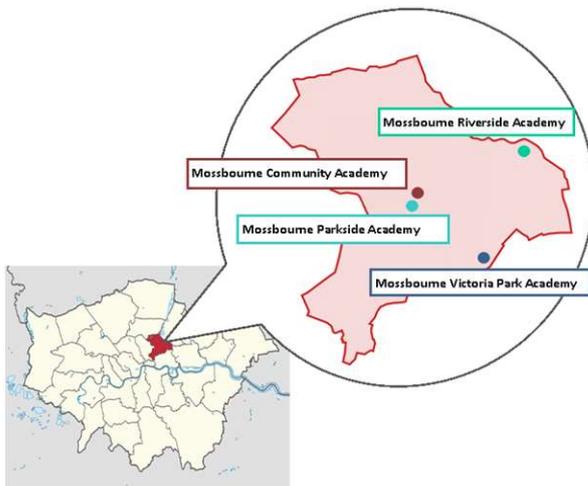
Browne Jacobson
77 Gracechurch Street
London
EC3V 0AS

Directors' report Year to 31 August 2020

The Directors of the Mossbourne Federation (the Federation), present their annual report together with the audited consolidated financial statements of the charitable company and its subsidiary company MossPAM Limited, together known as the group, for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 38 to 44 of the attached financial statements and comply with the Federation's Memorandum and Articles of Association, the Companies Act 2006, the Financial Reporting and Accounts Requirements issued by the Education and Skills Funding Agency, applicable laws and 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).

The Federation comprises of two secondary schools (Mossbourne Community Academy and Mossbourne Victoria Park Academy) and two primary schools (Mossbourne Parkside Academy and Mossbourne Riverside Academy). All schools are situated in the London Borough of Hackney and the number of pupils on roll during the year was 2,914.



All schools are at capacity except for Mossbourne Riverside Academy which will continue to grow by an additional year group each year until it reaches its capacity of 660 pupils in approximately 2022.

The map above shows the locations of the four schools in the Mossbourne Federation, all of which are located in the London Borough of Hackney.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Federation trust is a company limited by guarantee with no share capital (registration no 4468267) and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Federation trust. The Directors of Mossbourne Federation are the directors of the charitable company for the purposes of company law and trustees of the charitable company for the purposes of charity law. The charitable company is known as The Mossbourne Federation. For the purpose of reporting to the DfE/ESFA, Directors also act as Trustees for the trust and the terms are interchangeable in this report.

Details of the Directors who served during the year are included in the legal and administrative information on pages 1 to 2.

Members' Liability

Every 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.

Governors' and Officers' insurance

In accordance with normal commercial practice the Federation has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions whilst on Federation business. The insurance provides cover up to £2,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Directors

Directors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. At each Annual General Meeting of the charitable company one-third of the Directors retire by rotation. The Directors to retire are those who have been longest in office since their last election or appointment.

Policies and Procedures Adopted for the Induction and Training of Directors

The training and induction provided for new Directors and Governors will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Directors and Governors will be given a tour of the Academies and the chance to meet with staff and students. All Directors and Governors are provided with copies of policies, procedures, minutes, financial statements, budgets, plans and other documents that they will need to undertake their role as Directors and Governors.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

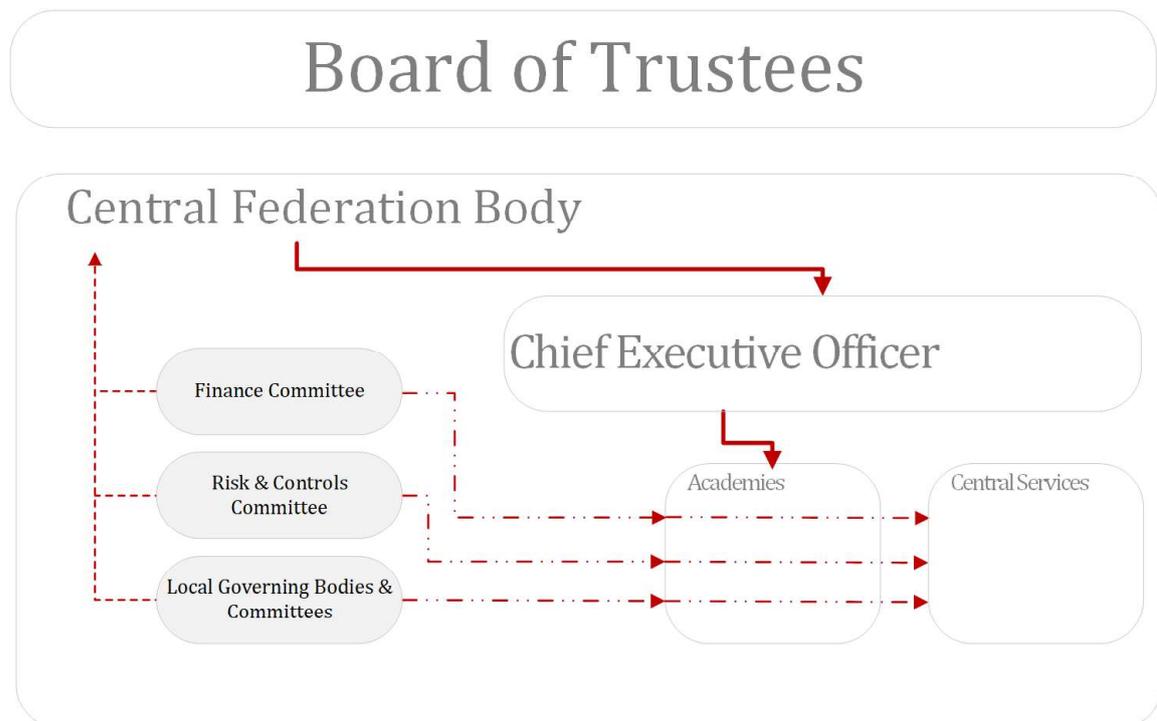
Organisational Structure

The aim of the leadership and management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Mossbourne Federation's governance structure consists of five levels:

1. The Members
2. Federation Central Governing Body (Directors)
3. Federation sub-committees
4. Local Governing Bodies
5. Principal(s) and their Senior Leadership Teams

Please see the organogram below/on the next page:



* This document is to support the scheme of delegation. If in any doubt please consult the scheme of delegation



STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure (continued)

The Directors, Central Federation Bodies, Committees and Local Governing Bodies, are responsible for setting the strategic direction of the Federation and its academies. This is done by adopting an annual plan and budget, evaluation of academic standards, monitoring the performance of the academies (delegated to the finance committee, which has a dual function of both finance and resources scrutiny) and making major decisions about capital expenditure and senior staff appointments. Continued improvement, and increased effectiveness of governance, is a priority for Directors. To this end, the role of the governing bodies (Central and Local), is codified in the Mossbourne Federation's Governors Handbook and the Federation scheme of delegation. These documents set out the full scope and remit of the role and work of governors.

The leadership structure of secondary & primary schools can be seen in the organogram below.

Leadership Organigram



STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure (continued)

These leaders have day-to-day operational responsibility for each academy, being accountable to the Principal and the Local Governing Body. The Senior Leadership Team of each academy is responsible for the authorisation of spending and appointments in line with the Federation scheme of delegation. Emphasis has continued to be on devolving aspects of leadership to the middle leadership tier within the Federation, ensuring they have the required skills to carry out their role. This includes spending control for each Learning Area (secondary) or Key Stage (primary), with which, for any limits above the delegated threshold, their line manager must sign.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body has delegated its pay powers to the Joint Finance, Pay and Personnel Committee. The Committee, based on recommendation from the CEO, approves pay award for management personnel. Pay awards are based on data obtained through benchmarking as well as performance.

The CEO's pay is reviewed annually by the Central Federation Body.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
1	0.88

There is no trade union arrangement to report on in the year.

Connected Organisations including Related Party Relationships

The original sponsor of Mossbourne Community Academy (now sponsor of the Mossbourne Federation) was Sir Clive Bourne and is now The Sir Clive Bourne Charitable Trust. Since the Federation's founding they have donated £2,281,798 to assist the Federation in achieving its objectives.

Engagement with employees (including disabled persons)

The Federation places an important emphasis on effective staff communication and annually in February all staff come together to discuss major issues as well as celebrate major successes. In addition, each academy also ensures that all staff are fully briefed on local issues through several avenues including daily briefings, newsletters and bulletins. Also, there is an induction programme for new staff and in particular those joining the Federation in September.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Engagement with employees (including disabled persons) (continued)

Applications for employment from disabled persons are given full and fair consideration. They are also given the opportunity to request for any special arrangements to be made on account of a disability.

Engagement with suppliers, customers and others in a business relationship with the trust

Our key stakeholders are our students, parents, staff, governors and the communities in which we operate. Engagement with this group is regular through parents' evenings, communications through ParentPAM, etc and relationship is based on openness, trust, integrity, objectivity but above all the core values of the Federation which are Excellence, No Excuses and Unity.

The relationship with our suppliers is one based on open procurement processes that ensures value for money is obtained for the funding provided by the government.

Subsidiary Entity

The Federation has a wholly owned subsidiary entity, MossPAM Limited (company number 10248621). The company was incorporated on 23rd June 2016 under the Companies Act 2006 as a private company limited by shares.

The Federation also has a dormant subsidiary entity, the Mossbourne Academy Land Trust (exempt charity) which has been dormant since incorporation.

OBJECTIVES AND ACTIVITIES

Objects and aims

The vision statement of the Mossbourne Federation is:

The Mossbourne Federation's Mission is to establish exceptional schools.

Mossbourne schools: Lead, transform and excel.

Our vision and mission is underpinned by three core values, upheld by all students, parents, staff and governors.

Excellence: doing everything as well as we can - always

No Excuses: believing that anything is possible - we never give up

Unity: working together towards our goals - with integrity

Through upholding these core values, we aim to be the first academy federation whose schools are, without exception, exceptional.

OBJECTIVES AND ACTIVITIES (continued)

Three Core Values

1. Excellence

By always doing everything as well as we can, we maximise students' learning potential. We offer a broad, balanced curriculum, well matched to learners' needs and aspirations - one which will ensure excellent outcomes for all. In our calm, studious learning environment, students develop the independent study skills necessary to become lifelong, well-rounded learners, equipped for the future. Based on respect for each other, we recognise and value the crucial role played by strong partnerships between students, parents, our governing body and our wider community.

2. No Excuses

Believing that anything is possible develops an ethos of aspiration, perseverance and resilience amongst both students and staff. Our 'tough love' approach means we aim never to give up on a child - we just need to work harder and go that 'extra mile'. We celebrate success, and recognise that attention to detail, and looking at what could be done better will ensure we constantly strive for improvement.

3. Unity

Shared goals create a climate of aspiration where self-critical schools, working in partnership with each other and within each community, constantly drive up standards. Honesty, integrity, and self-reflection form the basis of the shared values and aspirations of students, parents, staff and governors.

Public benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Federation's objectives and aims and in planning future activities for the year. The Directors consider that the Federation's aims are demonstrably to the public benefit.

Equal opportunities policy

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The Federation aims to establish equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the schools within the Federation. The policy of the Federation is to support recruitment and retention of students and employees with disabilities. The Federation achieves this by adapting the physical environment, by making support resources available and through training and career development.

STRATEGIC REPORT

Achievements and Performance

This year has been an exceptional one due to the COVID-19 crisis which resulted in schools being closed on 20 March for face to face education except for children of key workers and vulnerable children. The closure resulted in shifting our focus of education provision from face to face to online tuition which meant pupils and staff adapting to a new way of working that will not be detrimental to the attainment gap of pupils from disadvantaged backgrounds.

Our staff have risen to the challenge of adapting to digital delivery using systems such as 'Show My Homework' and 'Google Classroom' and developing new protocols and processes to ensure that safeguarding is not compromised. The curriculum continued remotely with the provision of high quality work for each subject to support students in continuing their education at home. The feedback from staff using these digital platforms has been positive and the Federation Management Team has decided to continue with these systems post the pandemic.

As a result of keeping our schools open during the lockdown, most of our staff continued to work without taking a break during Easter or half term holidays. In recognition of the long term effect on staff, the Federation has communicated the well-being support that is on offer through 'ASpace' to staff.

The Federation has also identified a variety of ways in which support can be provided to pupils who struggled during the lockdown and this includes catch up /Saturday School, In depth and relevant conversations and provision of an additional 430 laptops (in addition to the 365 devices received from the DfE).

Secondary

As a result of Mossbourne's nationally recognised reputation for excellence, both secondary academies are heavily oversubscribed for entry into Year 7. There were 201 applicants who met the criteria to join the Mossbourne Sixth Form in September 2020.

The GCSE Religious Studies Short Course results, taken by students in Year 10 continues to produce impressive results. The 2020 results were awarded by the Centre Assessed Grade (CAG) process outlined by Ofqual in April 2020 as a response to Covid-19 disruption to scheduled examination processes. For MCA 39% of grades were grade 9 with 78% grades 7-9 and 93% grades 5-9. The value-added score was +2.49. These results were similar to the 2019 results. The results for MVPA were also outstanding with 61% 7-9 and a VA score of +1.84.

Internal results for years 7-10 from both academies show that academic progress is in close agreement for most subjects. However, the last common assessment point was January 2020.

Secondary - GCSE

The 2020 results have been generated in PAM using the same process used in awarding the 2019 results. National value-added data will not be published for 2019-20.

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Secondary (continued)

Secondary - GCSE (continued)

Progress and attainment at MCA continue to be outstanding. MCA's progress 8 score in 2020 was +1.59 (unvalidated), which means that on average students achieve +1.59 grade above expected values in all subjects they take.

The 2020 attainment 8 score for MCA was 65.1, which means an average grade of 6.51 using the GCSE scale of 1 to 9. The average grade for 2019 was 6.01. MCA was tracking an increase in attainment and value-added for this year group but the CAG process has also led to an increase in performance metrics.

The Basics 5+ score for MCA was calculated to be 79%, an increase from 67% in 2019. The percentage of students achieving EBacc increased to 69% from 60%.

Progress and attainment at MVPA continues to be outstanding. Their progress 8 score of +1.24 is higher than the 2019 value of +0.97. The attainment 8 score was 64.0 in 2020. The percentage of students achieving Basics 5+ is 78% and the percentage of students achieving EBacc is 67%. These values are comparable to MCA standards.

Secondary - A Level

The Mossbourne Sixth Form's outcomes continue to be outstanding. The average grade of students was a B. The CAG process for A-levels produced significantly increased results across England. The increase in MCA results is in line with this national increase. The percentage of grades A/A* increased from 34.1% to 47.7%. This 13.6% increase is similar to the national increase in those grades (12.9%). The percentage of grades A*-C increased from 82% in 2019 to 96%. The calculated value-added (unvalidated) for 2020 is +0.21 (Above Average DFE rating) which compares favourably with the validated 2019 VA of -0.01 (Average DFE rating).

5 students achieved 100% A* grades and 33 students achieved 100% grades A*/A. 12 students progressed to study at Oxford or Cambridge. 92% of students progressed to university study with 46% achieving places at Russell Group universities.

Primary

Due to the coronavirus (COVID-19) pandemic the DfE cancelled all 2019/20 national curriculum assessments.

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Primary (continued)

The Curriculum

The Federation's secondary schools run a single curriculum adapted to local need, as do the Federation's two primary schools. The Federation curriculum is extended and personalised to meet the needs of all learners. Flexibility in the curriculum allows for adaptations to be made that are responsive to the needs of both individuals and groups of pupils as they progress through all of the Federation's academies.

There are five key principles underpinning the design of the Federation's curriculum.

- ◆ All pupils have access to a broad, balanced and coherent curriculum that supports learning
- ◆ A strong core ensures that basic skills are embedded at an early stage so that pupils are able to access the wider curriculum
- ◆ An extended curriculum ensures all pupils have access to catch-up, extension and enrichment
- ◆ The curriculum is fully personalised and inclusive and meets the needs of individual pupils at every Key Stage
- ◆ ICT is used to enhance teaching and learning and is embedded across the curriculum

There is a combination of setting and mixed ability within the curriculum at both primary and secondary level. There is a heavy emphasis on differentiated teaching and resources to ensure that each student is fully extended. Regular and consistent assessment in tracking pupil progress across the curriculum means regular pupil movement between sets.

Groups containing children with special needs are provided with additional support from teaching and support staff. Gifted and Talented children in particular areas of the curriculum are identified and provided with extension work and enrichment activities.

Charitable Achievements

Although COVID-19 curtailed the number of charitable events, pupils within the Federation have once again made contributions to a variety of charities this year including WWF and Friends of the Earth. Our choice of charities has been based on previous years, following the usual guidelines of a mix of local, national and international charities and the suggestions of pupil representatives.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Federation 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 basis can be found in the Statement of Accounting Policies.

Promoting the success of the Federation

The Federation believes that it provides the very best education for its students which is as a direct result of staff going above and beyond the call of duty. There is a culture within the Trust of “No Excuses” and this evidenced in the Federation’s academic performance over the years. Since 2014, the Federation has focused on the professional development of staff and in particular middle leaders to ensure that they have the required skills to perform their duties.

The Federation’s extra-curricular activities such as Rowing and the Cadets continue to be popular with our community. As such, the Federation recently recruited a Fundraising and Development Manager with the aim of making such activities accessible to children who may not otherwise be able to participate in such events.

As a Trust there is emphasis on professional conduct of our staff and this includes being aware of equality, impartiality and the need to act fairly towards staff and students.

FINANCIAL REVIEW

Financial and risk management objectives and policies

Risk management

The Directors and Governors have assessed the major risks to which the Federation is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of each Academy, and its finances. The Directors and Governors have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors (Disclosure and Barring Service checks), and supervision of school grounds) and internal financial controls (see pages 20 to 25) to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Federation has an effective system of internal financial controls and this is explained in more detail in the governance statement.

FINANCIAL REVIEW (continued)

Financial and risk management objectives and policies (continued)

Risk management (continued)

The Finance Committee of the Governing Body periodically reviews the short to medium term investment decisions of the treasury management function. This is to ensure that the level of risk being taken is appropriate and in line with the Federation's investment objectives. The objective of the Federation is to ensure that surplus funds invested are in relatively risk free vehicles so to avoid any diminution in capital value and maintain a guarantee of funds withdrawal when required to meet short-term cash needs.

The Mossbourne Federation consistently evaluates the probability of financial risks and actions taken to mitigate any potential or identified risks are brought to the attention of the Governing Body for approval. Events such as interest rate fluctuations, changes in education funding policies and other macro-economic variables are tracked and used to balance the Federation's risk exposure accordingly. Within this framework, the Senior Leadership Team of each school makes recommendations to the Governing Body on risk management policies covering the compliance, financial and operational risk areas and following their approval, the risk management systems are implemented and monitored to ensure their effectiveness. To this end, the Federation's risk register is reviewed and updated half-yearly with the purpose of informing the Risk and Controls Committee on any changes and newly identified risks. This provides the opportunity for the committee members to challenge each Academy's position in relation to specific or collective risks.

Financial report for the year

Most of the Federation's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Federation also receives grants for fixed assets from the ESFA and its sponsors the late Sir Clive Bourne and the Sir Clive Bourne Charitable Trust. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The fixed asset fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £26,354,000 (2019 - £25,436,000), was covered by recurrent grant funding and reserves from the ESFA together with other income (after excluding restricted fixed asset funds).

The in-year operational surplus for the year (excluding movement on the fixed asset fund and the Local Government Pension Scheme fund) was £1,738,000 (2019 - £634,000).

FINANCIAL REVIEW (continued)

Financial report for the year (continued)

Principal risks and uncertainties

The following are the principal risks and uncertainties facing the Federation:

- a) **Ability to manage Growth:** Expansion of the Federation to encompass three other schools on different locations within a single Federation structure could have a negative impact should any school fail to meet expected standards. This risk is being managed through the careful selection of expansion opportunities, a measured approach for implementation and strengthening of leadership capacity to manage expansion without compromising quality and standard of educational provision. Close oversight is provided by local Governing Bodies, Sponsors, Local Authority and the Education and Skills Funding Agency all aiming to ensure smooth delivery.
- b) **Governance and oversight:** The Chief Executive Officer and school Principals must be provided with appropriate support and challenge across the three core areas of risk - standards, safeguarding and solvency. The Federation aims to enshrine an appropriate governance structure involving appropriately skilled governors possessing a core understanding of the Mossbourne ethos and values plus the different skill sets necessary to provide that support and challenge. Governors may be reassigned across the Federation to optimise their skill sets. Training programmes have been and will be arranged to offer suitable training for existing governors to enhance their effectiveness. High quality clerking support is given by Academies to governors as well as independent access to records.
- c) **Key staff recruitment and retention:** Success of the Federation depends upon excellent staff able to provide an environment best suited for pupils to learn. Recruitment must reflect the need to attract those suitably qualified to maintain and improve established standards. The human resource team consistently adopt rigorous employee vetting procedures, references and checks. Each Academy invests significantly in a performance appraisal system aiming to recognise and reward high performance. Regular one on one interviews and CPD programmes are put in place to promote job satisfaction and staff retention.
- d) **COVID-19:** The ongoing coronavirus pandemic is likely to have a significant adverse effect on pupils' educational outcomes. To mitigate against this, the government advised that education establishments will remain open in the event of a second wave of the pandemic. However, in addition to the challenge of having sufficient staff onsite to teach students, there is also the financial cost of keeping our sites COVID-19 secure which will have to be absorbed by the Federation.

FINANCIAL REVIEW (continued)

Financial position and reserves policy

Financial position

At 31 August 2020 the net book value of fixed assets was £72,356,000 (2019 - £74,176,000) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Federation.

The Federation held fund balances at 31 August 2020 of £75,737,000 (2019 - £75,737,000) comprising £73,270,000 (2019 - £73,447,000) of restricted funds including a pension reserve deficit of £4,056,000 (2019 - £4,138,000) and unrestricted funds of £2,467,000 (2019 - £2,290,000).

Reserves policy

The Finance Committee and the Central Federation Body review the reserve levels of the Federation annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Federation requires reserves to cover delays between spending and receipt of grants and to deal with unexpected emergencies such as urgent maintenance. In addition, the Federation currently requires reserves to manage the current uncertainty regarding funding levels in the sector and to ensure that adequate funds are available for ongoing capital maintenance.

As at 31 August 2020, the Federation's revenue reserves comprised £2,467,000 (2019 - £2,290,000) of unrestricted funds and £4,970,000 (2019 - £3,409,000) of restricted ESFA and other restricted general funds. The Directors believe that these reserves may appear high in comparison to the sector, however, in the above context are not excessive and are necessary in the light of the uncertainty in funding.

Investment Policy

The Finance Committee monitors the treasury management activities and strategies to ensure maximum returns are derived on Federation cash balances. Cash balances that are surplus to the Federation's day to day operational requirements are invested in low-risk investment vehicles such as Fixed Rate Deposits and other Money Market products. The amounts held as investment deposits are reviewed periodically taking into consideration factors such as counterparty risks, interest rates risk and liquidity risks. These are put in place to not only ensure the achievement of the investment objectives, but that the immediate financial needs and the future spending commitments of the Federation are protected.

FUNDRAISING

The Federation does not engage the services of professional fundraisers. However, it employs a Partnership Manager who actively seeks to maximise income through donations for specific projects. The Federation received no complaints during the year in respect of fundraising.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	3,284,426
Energy consumption break down (kWh) (optional)	1,912,795
<ul style="list-style-type: none"> • gas, • electricity, • transport fuel 	1,371,632
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	1,352
Owned transport – mini-buses	N/A
<u>Total scope 1</u>	1,352
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	970
<u>Scope 3 emissions in metric tonnes CO2e</u>	
Business travel in employee owned vehicles	N/A
Total gross emissions in metric tonnes CO2e	2,322
<u>Intensity ratio</u>	
Tonnes CO2e per pupil	0.80
Quantification and Reporting Methodology	
We have followed the 2019 HM Government Environmental Reporting Guidelines.	
Intensity measurement	
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.	
Measures taken to improve energy efficiency	
As a result of the coronavirus pandemic, the Federation has adapted to new ways of conducting meetings, interviews and parental engagement through virtual or teleconferencing to reduce travel to Federation sites.	

PLANS FOR FUTURE PERIODS

The creation of The Mossbourne Federation has been extremely successful. The Federation now has four schools, two primary and two secondary academies, and has no plans at present to expand the number of academies within the Federation. Mossbourne Riverside will continue to grow year on year and is expected to reach capacity in September 2022.

The Mossbourne Federation aims to:

- ◆ To establish a cohesive federation of exceptional schools that work cooperatively to achieve the best outcomes for every child
 - a. To be renowned as an employer of choice for all staff
- ◆ To ensure every student receives a broad and balanced education, delivered in an environment that enhances opportunity to:
 - a. Ensure all students upon exit, have developed their academic abilities and extracurricular talents such that they may flourish in the next stage of their life
 - b. Sustain and enhance the reputation of Mossbourne alumni for being excellent employees
 - c. Ensure all Mossbourne staff operate with maximum effect to support outcomes for children
- ◆ To establish the Central Services function as a proficient, customer focused and cost effective service
- ◆ To generate at least 10% of the Federation's total income from non-government sources to allow greater flexibility in meeting the needs of students:
 - a. To develop the capacity and expertise in order to provide short-term (two year) support to schools outside of the Federation for teaching, learning and leadership
 - b. To develop the capacity in order to provide an external Central Service function for partner schools.
- ◆ Following the year end, part of the activities relating to the Federation's subsidiary company (MossPAM) were transferred out of the group. The activities transferred related to the PAM software, which was developed by the Federation. In addition, the Intellectual property rights relating to the PAM software were transferred from the Federation to a charitable entity.

As part of this transfer, the financial losses incurred within MossPAM up to the date of the transfer relating to the PAM software were transferred out of the group and a loan of £40,000 from the Federation to MossPAM was repaid.

Directors' report Year to 31 August 2020

AUDITOR

In so far as the Directors are aware:

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

Directors' report, incorporating a strategic report, approved by order of the board of Directors, as the company's directors, on 9 December 2020 and signed on the board's behalf by:

DocuSigned by:
Robert Field
0FA6F36360E24C9...

Robert Field

Director

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that the Mossbourne Federation 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 Central Federation Body 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 propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Federation and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Central Federation Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the statement of Directors' responsibilities. Attendance during the year at meetings of the Central Federation Body (CFB) was as follows:

CFB member	Number of meetings attended	Out of a possible
Andrew Cartwright (appointed December 2019)	5	5
Henry Colthurst (Chair)	5	5
Robert Feld	5	5
Maggie Kalnins	5	5
Samantha Lloyd	5	5
Sylvie Pierce	5	5
Philip Woodhouse	3	5

The Board meets three times a year. The number of meetings has been considered by the Board and in light of existing committee structures and regular review of the Trusts' finances by all Board members, it was deemed that three meetings a year would be adequate. However, this year were two special meetings to discuss the appraisal options for the subsidiary company (MossPAM Limited).

The Finance Committee is a sub-committee of the main governing body. Its purpose is to ensure the future financial stability of the Federation and plan so that the Federation has the financial resources available to achieve its school improvement plan. To achieve these aims, the Committee monitors and reviews the Federation's financial procedures, and income and expenditure on a regular basis, to ensure compliance with the Federation financial plan and financial regulations as set out by the Federation, the Department for Education, Companies House and the Charity Commission.

Governance statement Year to 31 August 2020

Governance (continued)

The Committee approves the Federation budget taking account of its indicative funding and the Federation's future development plan. In addition to financial matters, the Committee also oversees the capital assets (in particular land and buildings) of each Academy and makes proposals on any issues arising. Attendance at meetings in the year was as follows:

Finance Committee	Number of meetings attended	Out of a possible
Toby Campbell-Gray (appointed November 2019)	3	3
Andrew Cartwright (Chair)	3	3
Robert Feld	3	3
Samantha Lloyd	2	3
Mark Tufnell (Chair resigned November 2019)	1	1

The Risk and Controls Committee is also a sub-committee of the Federation Central Governing Body. Its purpose is to ensure that there are effective arrangements in place for governance, risk management and internal control for the Federation and all schools within it. It will review the risk register of the Federation, legislation and auditor's reports and make recommendations to the Central Federation Body in response to those findings.

The meetings scheduled for the spring and summer terms were cancelled due to the coronavirus pandemic. However, risks relating to the pandemic were escalated to the Central Federation Board which met four further times to review COVID-19 risks.

Attendance at meetings in the year was as follows:

Risk & Controls	Number of meetings attended	Out of a possible
Martin Buck	0	1
Henry Colthurst (Chair)	1	1
Rex Regan	0	1
Jenny Watson	1	1
Philip Woodhouse	0	1

Governance reviews

The Federation regularly conducts skills audits to ensure each governing body has the correct skill set to ensure effective governance. The Federation also compiled all documents together with other valuable information into a Governors' Handbook which now forms the basis for the induction process for all new governors. We also delivered further training for governors, and improved our clerking support to our local governing bodies.

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Federation 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 Federation's use of its resources has provided good value for money during the academic year, and reports to the board of Directors where value for money can be improved, including the use on benchmarking data where available. The Federation adopted the guidance provided in PPN04/20 with its suppliers during the lockdown despite the limited service provided. The Federation continued to pay its cleaning, catering, attendance, agency contractors and peripatetic music teachers during the lockdown. The Accounting Officer for the Federation has delivered and improved value for money during the year by:

1. Mossbourne Community Academy pupils consistently make outstanding progress. The high grades recorded in GCSE results again positions it as one of the country's leading Academies. This culture of excellence has become embedded into Mossbourne Victoria Park Academy right from inception, and collectively students within the Mossbourne Federation continue to make good progress right through their educational journey.

The improved educational outcomes are the results of significant investment in tracking systems that detect underperforming pupils and target interventions that rapidly turn-around their attitude to learning and ultimately improve their attainment levels. In addition to that, the consistent engagement of parents and carers in the recognition of the impact of attendance on attainment has led to above national average attendance levels for MCA (96.6%) and MVPA (96.4%).

Financial and non-financial resources are set aside to consistently provide flexible learning choices through the implementation of technology driven solutions to aid teaching and learning. This was particularly fundamental during the lockdown as the Federation invested in online systems such as Google classroom and Show My Homework to ensure that pupils do not fall behind any more than necessary. In addition, the Federation continued to pay a third party contractor to check on the welfare of its pupils during the lockdown.

Review of value for money (continued)

2. *Governance and oversight of academy finance*

The Mossbourne Federation provides training for its members and Governors to ensure they have a full understanding of the governance arrangements and are equipped with the necessary skills to support and challenge the leadership of the schools. As part of their oversight functions, the governors ensure that key priorities from a strategic review are incorporated into the School Development Plan.

Independent assurance work on internal controls is carried out to ensure that the Federation's financial systems and the maintenance of robust controls are not in any way compromised.

The Local and Central Federation Bodies, through the combined Finance Pay and Personnel Committees, review the academy's periodic budget performance report as presented to it by the Chief Operating Officer. With this report featuring the income and expenditure and the projected year-end position against budget, governors are able to challenge academy spending decisions with a view to ensuring best value within the current funding climate.

3. *Maximising income generation and cost optimisation*

The Federation continues to explore new opportunities to improve its income generating capacity.

Through measures such as collaborative negotiations alongside other academies in the borough and competitive tendering, the Federation has been able to achieve cost savings and economies of scale in its purchases.

The Directors of The Mossbourne Federation regularly review and assess the major risks facing the Federation with a view to ensuring that appropriate insurance policy cover is in place.

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 ongoing process designed to identify and prioritise the risks to the achievement of the Federation's 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 at the Federation for the year ended 31 August 2020 and up to the date of approval of the Directors' report and financial statements.

Capacity to handle risk

The Central Federation Body has reviewed the key risks to which the Federation is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Central Federation Body is of the view that there is an ongoing process for identifying, evaluating and managing the Federation's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Central Governing Body and the Audit Committee.

The risk and control framework

The 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 Central Federation Body;
- ◆ regular reviews by the Finance 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; and
- ◆ identification and management of risks.

The Central Federation Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed a firm of external auditors to perform assurance work on the internal controls as permitted by the Academies Financial Handbook. The work includes giving advice on financial matters and performing a range of checks on the Federation's financial systems. Reports are made on a termly basis to the Directors on the operation of the systems of control and on the discharge of the Central Federation Body's financial responsibilities. No material weaknesses were identified. The Federation's internal scrutiny service is provided by Moore Kingston Smith LLP.

Governance statement Year to 31 August 2020

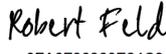
Review of effectiveness

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:

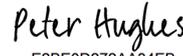
- ◆ the assurance work on internal controls;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self assessment process; and
- ◆ the work of the Senior Leadership Team within each Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Directors and signed on their behalf by:

DocuSigned by:

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Robert Field
(Director)

DocuSigned by:

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Peter Hughes
(Chief Executive Officer and
Accounting Officer)

Approved on: 09/12/2020

Statement on regularity, propriety and compliance Year to 31 August 2020

As Accounting Officer of the Mossbourne Federation, I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Central Federation Body are able to identify any material irregular or improper use of funds by the Federation, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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 Directors and ESFA.

DocuSigned by:

Peter Hughes
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Peter Hughes
Accounting Officer

Date: 09/12/2020

Statement of Directors' responsibilities Year to 31 August 2020

The Directors (who act as Trustees of the Federation and are also the directors of the Federation for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Federation and of its income and expenditure for that period. In preparing these financial statements, the Directors are required to:

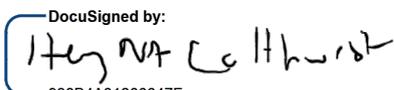
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 Federation will continue in operation.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Federation's transactions and disclose with reasonable accuracy at any time the financial position of the Federation 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 Federation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the charity and financial information included on the Federation'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 and signed on its behalf by:

 Henry Colthurst
938B4A31266647F...
Chair of Directors

Date: 09/12/2020

Independent auditor's report on the consolidated financial statements to the members of The Mossbourne Federation 31 August 2020

Opinion

We have audited the financial statements of The Mossbourne Federation (the 'charitable company') and its subsidiary (together, the 'group') for the year ended 31 August 2020 which comprise the consolidated statement of financial activities, the balance sheets, the consolidated statement of cash flows, the principal accounting policies and the related notes to the financial statements. 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), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 August 2020 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP (FRS 102) and Academies Accounts Direction 2019 to 2020.

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

Conclusions relating to going concern

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

- ◆ the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Independent auditor's report on the consolidated financial statements to the members of The Mossbourne Federation 31 August 2020

Conclusions relating to going concern (continued)

- ◆ the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the groups or charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information (covers the reference and administrative details, the report of the directors and strategic report and the governance statement)

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Directors' report which is also the directors' report for the purposes of company law and includes the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Directors' report which is also the directors' report for the purposes of company law and includes the strategic 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 group and charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report including the strategic report.

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

Independent auditor's report on the consolidated financial statements to the members of The Mossbourne Federation 31 August 2020

Matters on which we are required to report by exception (continued)

- ◆ 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 or returns; or
- ◆ certain disclosures of Directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors 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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the groups and 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 Directors 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.

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.

**Independent auditor's report on the consolidated financial statements to the members of
The Mossbourne Federation 31 August 2020**

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.

Buzzacott LLP

12.1.2021

Hugh Swainson (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Independent reporting accountant’s assurance report on regularity of The Mossbourne Federation and the Education and Skills Funding Agency 31 August 2020

In accordance with the terms of our engagement letter dated 19 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Mossbourne Federation during the period from 1 September 2019 to 31 August 2020 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 Mossbourne Federation and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Mossbourne Federation and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Mossbourne Federation and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Mossbourne Federation Accounting Officer and the reporting auditor

The Accounting Officer is responsible, under the requirements of The Mossbourne Federation funding agreement with the Secretary of State for Education dated 6 April 2004 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 from 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

Approach (continued)

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support 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 from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

Hugh Swainson
12.1.2021
Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Consolidated Statement of financial activities Year to 31 August 2020
(including Income and Expenditure Account)

	Notes	Unrestricted general fund £'000	Restricted funds		Total funds 2020 £'000	Total funds 2019 £'000
			General funds £'000	Fixed assets £'000		
Income from:						
Donations and capital grants	2	—	40	136	176	180
<i>Charitable activities:</i>						
. Funding for the Federation's educational operations	5	89	24,362	—	24,451	22,248
Other trading activities	3	798	—	—	798	999
Investments	4	15	—	—	15	25
Total income		902	24,402	136	25,440	23,452
Expenditure on:						
<i>Raising funds</i>	6	358	—	—	358	227
<i>Charitable activities</i>						
. Federation's educational operations	7	367	23,375	2,254	25,996	25,209
Total expenditure	6	725	23,375	2,254	26,354	25,436
Net (expenditure) income		177	1,027	(2,118)	(914)	(1,984)
Transfers between funds	19	—	(298)	298	—	—
Other recognised gains and losses						
Actuarial gains (losses) on defined benefit pension schemes	24	—	914	—	914	(2,007)
Net movement in funds		177	1,643	(1,820)	—	(3,991)
Reconciliation of funds						
Fund balances brought forward at 1 September 2019		2,290	(729)	74,176	75,737	79,728
Fund balances carried forward at 31 August 2020		2,467	914	72,356	75,737	75,737

Balance sheets at 31 August 2020

	Notes	Group 2020 £'000	Academy 2020 £'000	Group 2019 £'000	Academy 2019 £'000
Fixed assets					
Intangible assets	14	29	29	57	57
Tangible assets	15	72,328	72,327	74,119	74,118
		<u>72,357</u>	<u>72,356</u>	<u>74,176</u>	<u>74,175</u>
Current assets					
Debtors	16	1,034	1,034	658	656
Cash at bank and in hand		8,537	8,446	7,396	7,317
		<u>9,571</u>	<u>9,480</u>	<u>8,054</u>	<u>7,973</u>
Liabilities					
Creditors: amounts falling due within one year	17	(2,040)	(1,900)	(2,199)	(2,113)
Net current assets		<u>7,531</u>	<u>7,580</u>	<u>5,855</u>	<u>5,860</u>
Total assets less current liabilities		79,888	79,936	80,031	80,035
Provisions	18	(95)	(95)	(156)	(156)
Net assets excluding pension scheme liability		79,793	79,841	79,875	79,879
Defined benefit pension scheme liability	24	(4,056)	(4,056)	(4,138)	(4,138)
Total net assets		<u>75,737</u>	<u>75,785</u>	<u>75,737</u>	<u>75,741</u>
Restricted funds					
. Fixed asset fund	19	72,356	72,356	74,176	74,175
. Restricted income fund	19	4,970	4,970	3,409	3,409
. Pension reserve	19	(4,056)	(4,056)	(4,138)	(4,138)
Total restricted funds		<u>73,270</u>	<u>73,270</u>	<u>73,447</u>	<u>73,446</u>
Unrestricted general funds					
. General fund	19	2,515	2,515	2,294	2,295
. Funds retained with subsidiary	19	(48)	—	(4)	—
Total funds		<u>75,737</u>	<u>75,785</u>	<u>75,737</u>	<u>75,741</u>

The financial statements on pages 34 to 66 were approved by the Director on 9 December 2020 and signed on their behalf by:

DocuSigned by:

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Director
 Company number 4468267

Robert Field
 Director

Consolidated Statement of cash flows Year to 31 August 2020

		2020 £'000	2019 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	1,425	338
Cash flows from investing activities			
	B	(284)	(269)
Change in cash and cash equivalents in the year	C	1,141	69
Cash and cash equivalents at 1 September 2019		7,396	7,327
Cash and cash equivalents at 31 August 2020	D	8,537	7,396
A Reconciliation of net expenditure to net cash provided by operating activities			
		2020 £'000	2019 £'000
Net (expenditure) income for the year (as per the statement of financial activities)		(914)	(1,984)
Adjusted for:			
Amortisation charge (note 14)		48	42
Depreciation charge (note 15)		2,206	2,201
Proceeds from sale of tangible fixed assets			–
Capital grants from DfE and other capital income		(136)	(131)
Interest receivable (note 4)		(15)	(25)
Defined benefit pension scheme cost less contributions payable (note 24)		749	758
Defined benefit pension scheme finance cost (note 24)		83	42
(Increase) decrease in debtors		(376)	480
Decrease in creditors		(159)	(1,001)
Decrease in provisions		(61)	(44)
Net cash provided by operating activities		1,425	338
B Cash flows from investing activities			
		2020 £'000	2019 £'000
Dividends, interest and rents from investments		15	25
Purchase of tangible fixed assets		(415)	(377)
Purchase of intangible fixed assets		(20)	(48)
Capital grants from DfE/ESFA		136	131
Net cash used in investing activities		(284)	(269)
C Analysis of cash and cash equivalents			
		2020 £'000	2019 £'000
Cash at bank and in hand		8,537	7,396
Total cash and cash equivalents		8,537	7,396

Consolidated Statement of cash flows Year to 31 August 2020

D Analysis of changes in net funds

Group	At 1 September 2019 £'000	Cash flows £'000	At 31 August 2020 £'000
Cash	7,396	1,141	8,537

Principal accounting policies Year to 31 August 2020

Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling to the nearest thousand pounds.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of the academy trust and those of its subsidiary company, Moss Pam Ltd, made up at the balance sheet date.

No separate statement of financial activities has been presented for Mossbourne Federation alone, as permitted by section 408 of the Companies Act 2006 and SORP 2015.

Going concern

The Directors 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 company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. In making this assessment the directors have considered the ongoing impact of Covid 19 on the trust.

Principal accounting policies Year to 31 August 2020

Income

All income is recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Income (continued)

Donated fixed assets

Donated fixed assets are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All expenditure is stated net of recoverable VAT.

Intangible fixed assets

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- ◆ Purchased computer software - over three years

Principal accounting policies Year to 31 August 2020

Tangible fixed assets

Assets costing £500 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the expected useful economic life of the related asset on a basis consistent with the Federation's depreciation policy.

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

◆ Computer equipment	over three years
◆ Motor vehicles	over four years
◆ Freehold land and buildings	over fifty years
◆ Furniture and other equipment	over ten years
◆ Leasehold land and buildings	over fifty 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.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The Academy 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 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Principal accounting policies Year to 31 August 2020

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academy within the trust exceeded these limits during the year ended 31 August 2020.

2 Donations and capital grants

	Unrestricted fund £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000	2019 Total funds £'000
Capital grants	–	–	136	136	131
Other donations	–	40	–	40	49
	–	40	136	176	180

	Unrestricted fund £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2019 Total funds £'000
Capital grants	–	–	131	131
Other donations	–	49	–	49
	–	49	131	180

3 Other trading activities

	Unrestricted fund £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
Hire of facilities	22	–	22	41
Trip Income	88	–	88	81
Catering income	303	–	303	548
Trading subsidiary income	166	–	166	164
Miscellaneous income	219	–	219	165
	798	–	798	999

3 Other trading activities (continued)

	<i>Unrestricted fund £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total funds £'000</i>
<i>Hire of facilities</i>	41	–	41
<i>Trip Income</i>	81	–	81
<i>Catering income</i>	548	–	548
<i>Trading subsidiary income</i>	164	–	164
<i>Miscellaneous income</i>	165	–	165
	<u>999</u>	<u>–</u>	<u>999</u>

4 Investment income

	<i>Unrestricted fund £'000</i>	<i>Restricted funds £'000</i>	<i>2020 Total funds £'000</i>	<i>2019 Total funds £'000</i>
Interest receivable	15	–	15	25
	<u>15</u>	<u>–</u>	<u>15</u>	<u>25</u>

	<i>Unrestricted fund £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total funds £'000</i>
<i>Interest receivable</i>	25	–	25
	<u>25</u>	<u>–</u>	<u>25</u>

5 Funding for the Federation's educational operations

	Unrestricted £'000	Restricted £'000	2020 Total funds £'000	2019 Total funds £'000
DfE/ESFA grants				
- General Annual Grant (GAG) (note 1)	–	20,469	20,469	19,690
- Start Up Grants	–	50	50	60
- Other DfE/ESFA grants	–	2,251	2,251	1,518
	–	22,770	22,770	21,268
Other Government grants				
- Local authority grants	–	1,592	1,592	899
	–	1,592	1,592	899
Other income from the academy trust's educational operations	89	–	89	81
	89	24,362	24,451	22,248

	Unrestricted £'000	Restricted £'000	2019 Total funds £'000
DfE/ESFA grants			
- General Annual Grant (GAG) (note 1)	–	19,690	19,690
- Start Up Grants	–	60	60
- Other DfE/ESFA grants	–	1,518	1,518
	–	21,268	21,268
Other Government grants			
- Local authority grants	–	899	899
	–	899	899
Other income from the academy trust's educational operations	81	–	81
	81	22,167	22,248

6 Expenditure

	Staff costs £'000	Non-pay expenditure		2020 Total funds £'000	2019 Total funds £'000
		Premises £'000	Other costs £'000		
Expenditure on raising funds					
- Direct costs	178	–	33	211	130
- Allocated support costs	73	48	26	147	97
	251	48	59	358	227
Federation's educational operations					
- Direct costs	13,515	2,037	962	16,514	15,554
- Allocated support costs	5,732	1,748	2,002	9,482	9,655
	19,498	3,833	3,023	26,354	25,436

	Staff costs £'000	Non-pay expenditure		2019 Total funds £'000
		Premises £'000	Other costs £'000	
Expenditure on raising funds				
- Direct costs	91	–	39	130
- Allocated support costs	47	30	20	97
	138	30	59	227
Federation's educational operations				
- Direct costs	12,244	2,021	1,289	15,554
- Allocated support costs	5,618	1,641	2,396	9,655
	18,000	3,692	3,744	25,436

The method used for the apportionment of support costs is disclosed in the accounting policies.

	2020 £'000	2019 £'000
Net income for the year includes:		
Operating lease rentals	81	77
Depreciation	2,206	2,201
Amortisation	48	42
Fees payable to financial statements auditor:		
.Audit	20	20
.Other services	13	11

7 Charitable activities - Federation's educational operations

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	16,514	15,554
Support costs	9,482	9,655
	25,996	25,209

	2020 Total funds £'000	2019 Total funds £'000
Analysis of support costs		
Support staff costs	5,732	5,618
Depreciation	217	222
Technology costs	301	333
Premises costs	1,531	1,419
Legal costs	26	156
Other support costs	1,606	1,748
Governance costs	69	159
Total support costs	9,482	9,655

8 Comparative information

	Notes	Unrestricted general fund £'000	Restricted funds		Total funds 2019 £'000
			General funds £'000	Fixed assets £'000	
Income from:					
Donations and capital grants	2	–	49	131	180
Charitable activities:					
. Funding for the Federation's educational operations	5	81	22,167	–	22,248
Other trading activities	3	999	–	–	999
Investments	4	25	–	–	25
Total income		1,105	22,216	131	23,452
Expenditure on:					
Raising funds	6	227	–	–	227
Charitable activities					
. Federation's educational operations	7	1,027	21,939	2,243	25,209
Total expenditure	6	1,254	21,939	2,243	25,436
Net (expenditure) income		(149)	277	(2,112)	(1,984)
Transfers between funds	19	–	(294)	294	–
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	24	–	(2,007)	–	(2,007)
Net movement in funds		(149)	(2,024)	(1,818)	(3,991)
Reconciliation of funds					
Fund balances brought forward at 1 September 2018		2,439	1,295	75,994	79,728
Fund balances carried forward at 31 August 2019		2,290	(729)	74,176	75,737

9 Staff

a) Staff costs

Staff costs during the period were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	14,069	13,444
Social security costs	1,464	1,434
Pension costs	3,443	2,692
Apprenticeship levy	55	–
	19,031	17,570
Supply staff costs	448	430
Staff restructuring costs	19	–
	19,498	18,000

Staff restructuring comprises:

	2020 £'000	2019 £'000
Redundancy payments	–	–
Severance payments	19	–
	19	–

b) Non-contractual staff severance payments

There are 3 non-contractual severance payments included in staff restructuring costs (2019 - none). Individually, the payments were £7,000, £4,000 and £8,000, totalling £19,000 (2019 - £nil).

c) Staff numbers

The average number of persons (including senior management team) employed by the Federation during the year ended 31 August 2020 was as follows:

	Full Time Equivalent		Average	
	2020 Number	2019 Number	2020 Number	2019 Number
Charitable activities				
- Teachers and educational support	302	293	332	328
- Administration and support	60	61	76	76
- Management	7	8	7	8
	369	362	415	412

9 Staff (continued)

d) Higher paid staff

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2020 expressed as full-time equivalents was as follows:

	2020 Number	2019 Number
£60,001 - £70,000	10	10
£70,001 - £80,000	8	5
£80,001 - £90,000	3	2
£90,001 - £100,000	—	1
£100,001 - £110,000	2	1
£160,001 - £170,000	—	1
£180,001 - £190,000	1	—
	24	20

All of the above employees earning more than £60,000 per annum participated in either the Teachers' Pension Scheme or the Local Government Pension Scheme. During the year ended 31 August 2020, pension contributions for these staff amounted to £427,204 (2019 - £257,728).

e) Key management personnel

The key management personnel of the academy trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance) received by key management personnel for their services to the academy trust was £970,000 (2019 - £934,151).

10 Directors' remuneration and expenses

The Directors of the Federation did not receive any payment from the Federation. During the current and comparative years there was no reimbursement of out-of-pocket expenses incurred in the course of their duties.

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

11 Governors' insurance

In accordance with normal commercial practice the Federation has purchased insurance to protect Directors from claims arising from negligent acts, errors or omissions whilst on Federation business. The insurance provides cover up to £2,000,000 on any one claim. It is not possible to separately identify the portion of the overall insurance premium attributable to the indemnity policy.

12 Commercial trading operations

The following is a summary of the results for the year and position at the year end for MossPAM Limited which have been included in the financial statements.

	2020 £'000	2019 £'000
Turnover	166	221
Cost of sales	—	(57)
Gross profit	166	164
Administrative expenses	(210)	(130)
(Loss) profit on ordinary activities before taxation	(44)	34
Tax	—	—
(Loss) profit on ordinary activities after taxation	(44)	34

The assets and liabilities of the subsidiary were:

	2020 £'000	2019 £'000
Non-current assets	1	—
Current assets	148	87
Creditors: amounts falling due within one year	(197)	(91)
Total assets less current liabilities	(48)	(4)

13 Central Services

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

- ◆ financial services
- ◆ human resources
- ◆ information and communication technology
- ◆ project management and site services

Central costs were re-charged as follows:

	2020 £'000	2019 £'000
Mossbourne Victoria Park Academy	523	509
Mossbourne Community Academy	866	858
Mossbourne Riverside Academy	168	136
Mossbourne Parkside Academy	229	235
MossPAM	12	—
	1,798	1,738

14 Intangible fixed assets (Group and Academy)

	Computer software £'000
Cost	
At 1 September 2019	260
Additions	20
At 31 August 2020	<u>280</u>
Amortisation	
At 1 September 2019	203
Charge in year	48
At 31 August 2020	<u>251</u>
Net book values	
At 31 August 2020	<u>29</u>
At 31 August 2019	<u>57</u>

15 Tangible fixed assets

Group	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost / valuation						
At 1 September 2019	65,891	20,938	4,266	2,552	26	93,673
Additions	—	—	195	220	—	415
At 31 August 2020	<u>65,891</u>	<u>20,938</u>	<u>4,461</u>	<u>2,772</u>	<u>26</u>	<u>94,088</u>
Depreciation						
At 1 September 2019	12,842	1,439	2,875	2,373	25	19,554
Charge for year	1,318	422	259	207	—	2,206
At 31 August 2020	<u>14,160</u>	<u>1,861</u>	<u>3,134</u>	<u>2,580</u>	<u>25</u>	<u>21,760</u>
Net book values						
At 31 August 2020	<u>51,731</u>	<u>19,077</u>	<u>1,327</u>	<u>192</u>	<u>1</u>	<u>72,328</u>
At 31 August 2019	<u>53,049</u>	<u>19,499</u>	<u>1,391</u>	<u>179</u>	<u>1</u>	<u>74,119</u>

Notes to the financial statements Year to 31 August 2020

15 Tangible fixed assets (continued)

Academy	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost / valuation						
At 1 September 2019	65,891	20,938	4,263	2,552	26	93,670
Additions	—	—	195	220	—	415
At 31 August 2020	65,891	20,938	4,458	2,772	26	94,085
Depreciation						
At 1 September 2019	12,842	1,439	2,873	2,373	25	19,552
Charge for year	1,318	422	259	207	—	2,206
At 31 August 2020	14,160	1,861	3,132	2,580	25	21,758
Net book values						
At 31 August 2020	51,731	19,077	1,326	192	1	72,327
At 31 August 2019	53,049	19,499	1,390	179	1	74,118

Title to the land at Downs Park Road is registered in the name of the Federation but has not been included in these financial statements because the site is designated for educational purposes only and has no open market value.

16 Debtors

	Group 2020 £'000	Academy 2020 £'000	Group 2019 £'000	Academy 2019 £'000
Trade debtors	79	21	22	14
VAT recoverable	249	267	205	211
Other debtors	1	1	—	—
Prepayments and accrued income	705	705	431	431
Due from trading subsidiary	—	40	—	—
	1,034	1,034	658	656

17 Creditors: amounts falling due within one year

	Group 2020 £'000	Academy 2020 £'000	Group 2019 £'000	Academy 2019 £'000
Trade creditors	1,066	1,064	997	993
Other taxation and social security	58	58	56	56
Other creditors	149	154	148	109
Accruals and deferred income	767	624	998	952
Due to trading subsidiary	—	—	—	3
	2,040	1,900	2,199	2,113

17 Creditors: amounts falling due within one year (continued)

Deferred income	Group 2020 £'000	Academy 2020 £'000	Group 2019 £'000	Academy 2019 £'000
Deferred income at 1 September 2019	420	383	427	384
Released during the year	(420)	(383)	(427)	(384)
Resources deferred in the year	378	245	420	383
Deferred income at 31 August 2020	378	245	420	383

At the balance sheet date the Federation was holding funds received in advance from funding bodies, for educational operations occurring in 2020/21.

18 Provisions

Group and Academy	2020 £'000	2019 £'000
Provisions	95	156
	95	156

At 31 August 2020 and 2019 the provisions relate to legal matters which were ongoing at the year end.

19 Funds

The income funds of the Federation comprise the following balances of grants to be applied for specific purposes:

	At 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2020 £'000
Restricted general funds					
. General Annual Grant (GAG)	1,585	20,469	(19,079)	(285)	2,690
. Start Up Grant	325	50	—	—	375
. Pupil premium	—	1,143	(1,143)	—	—
. Other grants	1,415	2,700	(2,318)	(13)	1,784
. Donations	84	40	(3)	—	121
. Pension reserve	(4,138)	—	(832)	914	(4,056)
	(729)	24,402	(23,375)	616	914
Restricted fixed asset funds					
. Private sector capital sponsorship & Hackney Council	51,976	—	(1,403)	—	50,573
. DfE/ESFA capital grants	18,808	136	(239)	—	18,705
. Capital expenditure from GAG	1,861	—	(548)	285	1,598
. Start up grant	26	—	(16)	—	10
. Implementation grant	20	—	(1)	—	19
. Other government grants	233	—	(9)	13	237
. Private sector capital sponsorship	1,252	—	(38)	—	1,214
	74,176	136	(2,254)	298	72,356
Total restricted funds	73,447	24,538	(25,629)	914	73,270
Unrestricted funds					
General funds	2,294	736	(515)	—	2,515
MossPAM	(4)	166	(210)	—	(48)
Total unrestricted funds	2,290	902	(725)	—	2,467
Total funds	75,737	25,440	(26,354)	914	75,737

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

Notes

- (i) General Annual Grant (GAG) must be used for the normal running costs of each Academy. Under the funding agreement with the Secretary of State, the Federation and each academy within the trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. Note 1 discloses whether the limit was exceeded.
- (ii) Pupil Premium Grant is to support disadvantaged pupils and close the attainment gap between them and their peers.
- (iii) Other funds relate to monies received for specific purposes.

19 Funds (continued)

(iv) Restricted fixed assets funds were funded by government grants, sponsors or donations. When capital expenditure is incurred a transfer is made from the fund which funded the acquisition to the restricted fixed asset fund. That asset is then depreciated through the restricted fixed asset fund over the lifetime of that asset.

	Total 2020 £'000	Total 2019 £'000
Fund balances at 31 August:		
Mossbourne Community Academy	3,961	3,067
Mossbourne Victoria Park	1,706	1,273
Mossbourne Parkside Academy	702	644
Mossbourne Riverside Academy	1,066	779
Central Trust	50	(59)
Total before fixed assets and pension reserve	7,485	5,704
Restricted fixed asset fund	72,356	74,176
Pension reserve	(4,056)	(4,138)
	75,785	75,742
Subsidiary	(48)	(5)
Total	75,737	75,737

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Deprecia- tion) £'000	2020 Total £'000
Mossbourne Community Academy	6,775	1,692	481	1,478	10,426
Mossbourne Victoria Park Academy	4,178	927	322	1,239	6,666
Mossbourne Parkside Academy	1,485	810	205	68	2,568
Mossbourne Riverside Academy	820	399	85	422	1,726
MossPAM	—	—	—	210	210
Central	233	1,072	81	284	1,670
Mossbourne Federation	13,491	4,900	1,174	3,701	23,266

Notes to the financial statements Year to 31 August 2020

19 Funds (continued)

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	2019 Total £'000
Mossbourne Community Academy	7,340	705	644	2,112	10,801
Mossbourne Victoria Park Academy	4,378	291	374	1,063	6,106
Mossbourne Parkside Academy	1,862	361	237	558	3,018
Mossbourne Riverside Academy	808	102	92	376	1,378
MossPAM	—	91	—	38	129
Central	224	990	53	494	1,761
Mossbourne Federation	14,612	2,540	1,400	4,641	23,193

Comparative information

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

	At 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2019 £'000
Restricted general funds					
. General Annual Grant (GAG)	1,008	19,690	(18,830)	(283)	1,585
. Start Up Grant	265	60	—	—	325
. Pupil premium	—	1,152	(1,152)	—	—
. Other ESFA grants	22	359	(381)	—	—
. Other grants	1,294	906	(774)	(11)	1,415
. Donations	37	49	(2)	—	84
. Pension reserve	(1,331)	—	(800)	(2,007)	(4,138)
	1,295	22,216	(21,939)	(2,301)	(729)
Restricted fixed asset funds					
. Private sector capital sponsorship & Hackney Council	53,325	—	(1,349)	—	51,976
. DfE/ESFA capital grants	19,215	131	(538)	—	18,808
. Capital expenditure from GAG	1,870	—	(292)	283	1,861
. Start up grant	53	—	(27)	—	26
. Implementation grant	21	—	(1)	—	20
. Other government grants	225	—	(3)	11	233
. Private sector capital sponsorship	1,285	—	(33)	—	1,252
	75,994	131	(2,243)	294	74,176
Total restricted funds	77,289	22,347	(24,182)	(2,007)	73,447
Unrestricted funds					
General funds	2,439	1,105	(1,254)	—	2,290
Total unrestricted funds	2,439	1,105	(1,254)	—	2,290
Total funds	79,728	23,452	(25,436)	(2,007)	75,737

20 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted funds		Total 2020 £'000
		General £'000	Fixed asset £'000	
Fund balances at 31 August 2020 are represented by:				
Intangible fixed assets	–	–	29	29
Tangible fixed assets	1	–	72,327	72,328
Current assets	2,466	7,105	–	9,571
Current liabilities	–	(2,040)	–	(2,040)
Non-current liabilities	–	(95)	–	(95)
Pension scheme liability	–	(4,056)	–	(4,056)
Total net assets	2,467	914	72,356	75,737

Group	Unrestricted funds £'000	Restricted funds		Total 2019 £'000
		General £'000	Fixed asset £'000	
Fund balances at 31 August 2019 are represented by:				
Intangible fixed assets	–	–	57	57
Tangible fixed assets	–	–	74,119	74,119
Current assets	2,290	5,764	–	8,054
Current liabilities	–	(2,199)	–	(2,199)
Non-current liabilities	–	(156)	–	(156)
Pension scheme liability	–	(4,138)	–	(4,138)
Total net assets	2,290	(729)	74,176	75,737

Academy Trust	Unrestricted funds £'000	Restricted funds		Total 2020 £'000
		General £'000	Fixed asset £'000	
Fund balances at 31 August 2020 are represented by:				
Intangible fixed assets	–	–	29	29
Tangible fixed assets	–	–	72,327	72,327
Current assets	2,515	6,965	–	9,480
Current liabilities	–	(1,900)	–	(1,900)
Non-current liabilities	–	(95)	–	(95)
Pension scheme liability	–	(4,056)	–	(4,056)
Total net assets	2,515	914	72,356	75,785

20 Analysis of net assets between funds (continued)

Academy Trust	Unrestricted funds £'000	Restricted funds		Total 2019 £'000
		General £'000	Fixed asset £'000	
<i>Fund balances at 31 August 2019 are represented by:</i>				
Intangible fixed assets	–	–	57	57
Tangible fixed assets	–	–	74,118	74,118
Current assets	2,295	5,678	–	7,973
Current liabilities	–	(2,113)	–	(2,113)
Non-current liabilities	–	(156)	–	(156)
Pension scheme liability	–	(4,138)	–	(4,138)
Total net assets	2,295	(729)	74,175	75,741

21 Capital commitments

	2020 £'000	2019 £'000
Authorised and contracted for	–	–

22 Commitments under operating leases

At 31 August 2020, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2020 £'000	2019 £'000
Amounts due within one year	29	36
Amounts due between two and five years inclusive	71	10
	100	46

23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

24 Pension commitments 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 London Borough of Hackney. Both are multi-employer defined benefit schemes.

24 Pension commitments and similar obligations (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

- ◆ The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:
 - ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
 - ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
 - ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

24 Pension commitments and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

The employer's pension costs paid to TPS in the period amounted to £2,163,000 (2019 - £1,400,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website.

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

Local Government Pension Scheme (LGPS)

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 2020 was £700,000 (2019 - £707,435), of which employer's contributions totalled £525,000 (2019 - £532,650) and employees' contributions totalled £175,000 (2019 - £174,785). The agreed contribution rates for future years were:

Full time equivalent salary	Contribution rate per year
£0 - £13,600	5.5%
£13,001 - £21,200	5.8%
£21,201 - £34,400	6.5%
£34,401 - £43,500	6.8%
£43,501 - £60,700	8.5%
£60,701 - £86,000	9.9%
£86,001 - £101,200	10.5%
£101,201 - £151,800	11.4%
£151,801 or more	12.5%

Employer's pension contribution rates vary from academy to academy ranging from 16.3% to 24.5%.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	2.5%	3.4%
Rate of increase for pensions in payment / inflation	2.2%	2.3%
Discount rate for scheme liabilities	1.7%	1.9%
Inflation assumption (CPI)	2.2%	2.3%

24 Pension commitments and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.2	21.3
Females	23.4	23.3
<i>Retiring in 20 years</i>		
Males	22.4	21.9
Females	25.1	24.3

	At 31 August 2020 £'000	At 31 August 2019 £'000
Sensitivity analysis		
Discount rate -0.5%	483	486
Salary rate +0.5%	30	89
Pension rate +0.5%	454	410

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	6,074	5,653
Bonds	1,995	1,519
Property	816	844
Cash	181	422
Total market value of assets	9,066	8,438
Present value of scheme liabilities	(13,122)	(12,576)
Deficit in the scheme	(4,056)	(4,138)

24 Pension commitments and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Amounts recognised in statement of financial activities	2020 £'000	2019 £'000
Current service costs (net of employer contributions)	749	579
Past service cost	—	179
Net interest cost	83	42
Total amount recognised in the SoFA	832	800
Analysis of other recognised gains and losses		
Actuarial gain (loss) on defined benefit obligation	1,083	(2,263)
Actuarial gain on pension scheme assets	(169)	256
Net actuarial gain (loss)	914	(2,007)

Movement in deficit in the year

Changes in the present value of defined benefit obligations were as follows:	2020 £'000	2019 £'000
At 1 September 2019	12,576	8,634
Past service cost	—	179
Current service cost	1,274	1,115
Interest cost	247	256
Employee contributions	175	176
Actuarial (gain) loss	(1,083)	2,263
Benefits paid	(67)	(47)
At 31 August 2020	13,122	12,576

Changes in the fair value of the Academy's share of scheme assets:	2020 £'000	2019 £'000
At 1 September 2019	8,438	7,303
Actuarial (loss) gain	(169)	256
Expected return on assets	164	214
Employer contributions	525	536
Employee contributions	175	176
Benefits paid	(67)	(47)
At 31 August 2020	9,066	8,438

25 Related party transactions

Owing to the nature of the Federation's operations and the composition of the Board of Directors 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 Directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Federation's financial regulations and normal procurement procedures.

Other than as disclosed in note 10, no related party transactions took place in the period of the account (2019 - none).

The academy trust did not enter into any related party transactions in the year.

26 Post balance sheet event

Following the year end, part of the activities relating to the Federation's subsidiary company (MossPAM) were transferred out of the group. The activities transferred related to the PAM software, which was developed by the Federation. In addition, the Intellectual property rights relating to the PAM software were transferred from the Federation to a charitable entity.

As part of this transfer, the financial losses incurred within MossPAM up to the date of the transfer relating to the PAM software were transferred out of the group and a loan of £40,000 from the Federation to MossPAM was repaid.