

# **The Mossbourne Federation**

## **Consolidated Report and Financial Statements**

31 August 2023

Company Limited by Guarantee  
Registration Number  
04468267 (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

<b>Sponsor</b>	Sir Clive Bourne Charitable Trust
<b>Members</b>	Lady Joy Bourne Robert Feld Sylvie Pierce
<b>Registered office</b>	100 Downs Park Road London E5 8JY
<b>Company registration number</b>	04468267 (England and Wales)
<b>Federation Central Board</b>	Henry Colthurst (Chairman) Toby Campbell-Gray (Chair of Risk & Controls Committee) Andrew Cartwright (Chair of Finance & External Audit Committee) Peter Hughes (Chief Executive Officer) Maggie Kalnins (Federation Safeguarding Lead) Samantha Lloyd (Chair of Mossbourne Riverside Academy) Tyrone Silcott (Chair of Mossbourne Community Academy - appointed 07/07/2022) Emma Swinton (Chair of Mossbourne Parkside Academy) Patricia Westerburg (Chair of Mossbourne Victoria Park Academy)
<b>Key management personnel</b>	Peter Hughes (Chief Executive Officer) Dipo Odunsi (Chief Operating Officer) Dee DeBellote (Director of HR) Laura Green (Principal of Mossbourne Parkside Academy) Matthew Toothe (Principal of Mossbourne Victoria Park Academy) Rebecca Warren (Principal of Mossbourne Community Academy) Amy Wood (Principal of Mossbourne Riverside Academy)

## 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

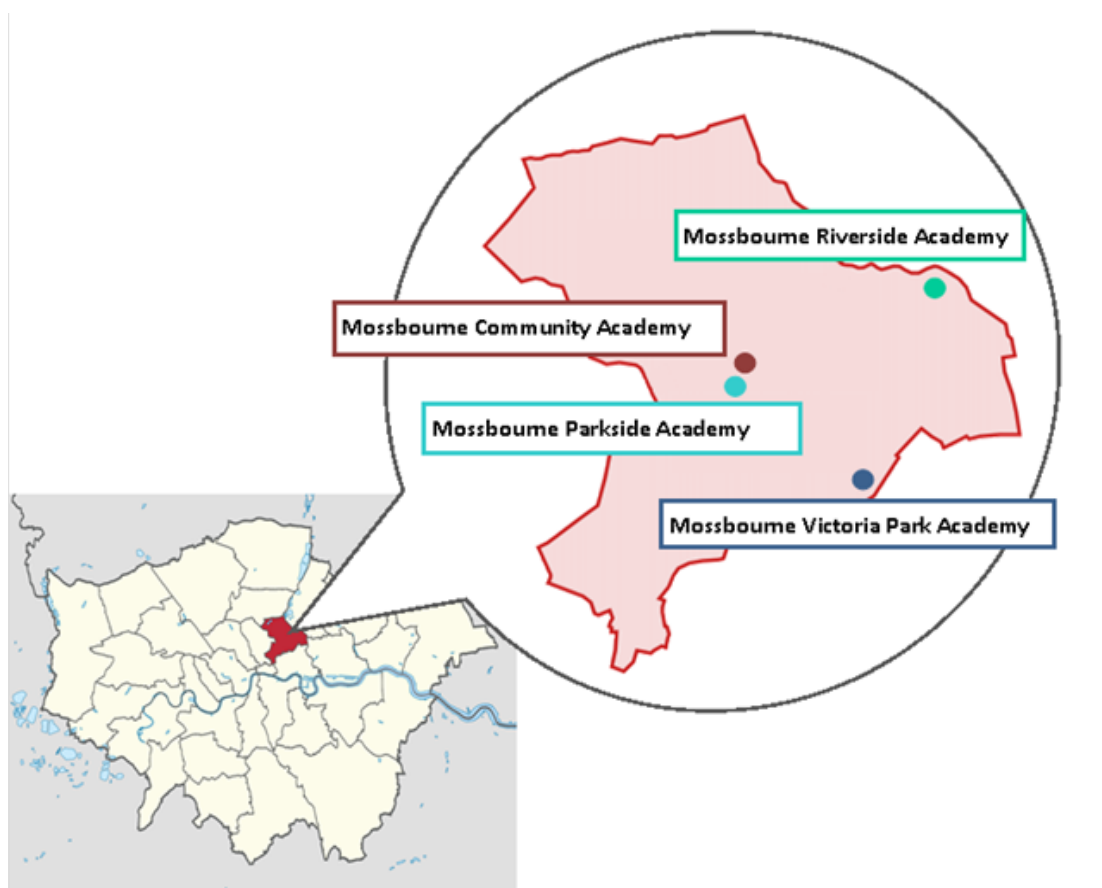
## Directors' report Year to 31 August 2023

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 Mossbourne Trading Limited, together known as the group, for the year ended 31 August 2023. 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 40 to 46 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 3,222.

The map below shows the locations of the four schools in the Mossbourne Federation.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Federation trust is a company limited by guarantee with no share capital (registration no 04468267) 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 also the directors of the charitable company for the purposes of company law. The charitable company is known as The Mossbourne Federation.

Details of the Directors who served during the year are included in the legal and administrative information on pages 1 to 3.

### **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 will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Directors 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 Trustees.

### **Organisational Structure**

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

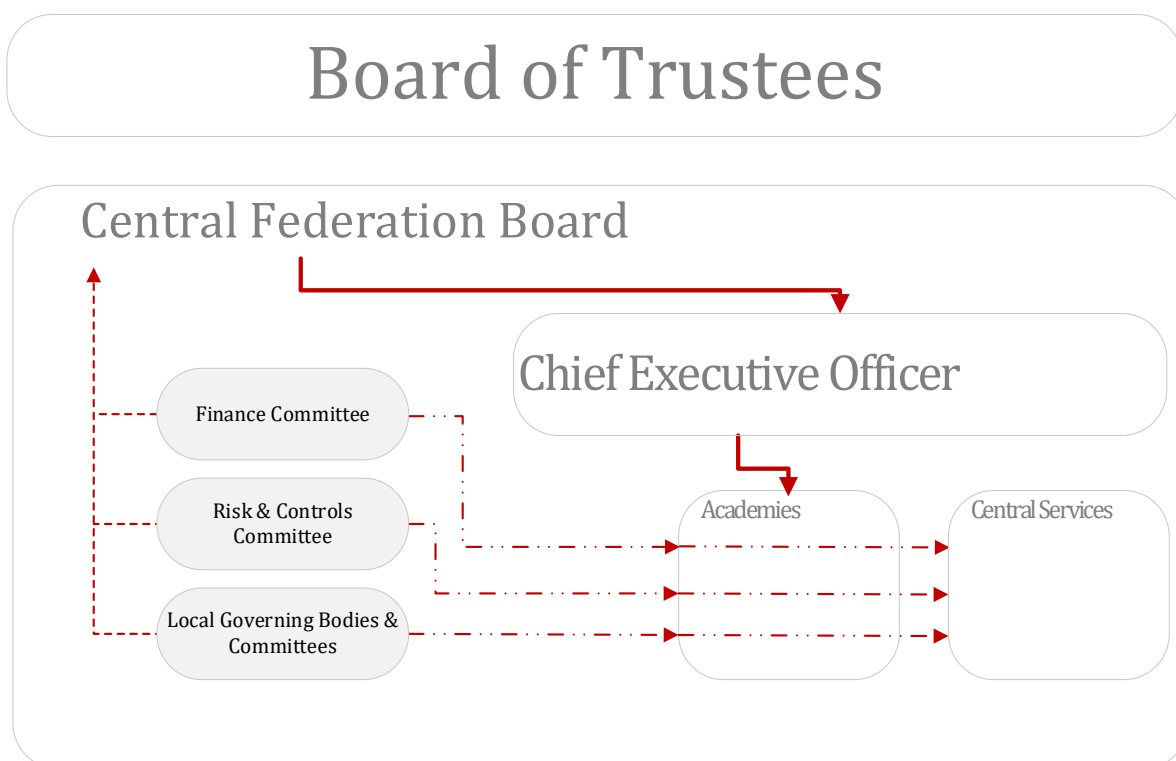
## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Organisational Structure (continued)

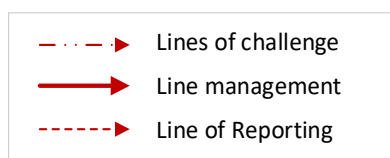
The Mossbourne Federation's governance structure consists of five levels:

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

Please see the organogram below:



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



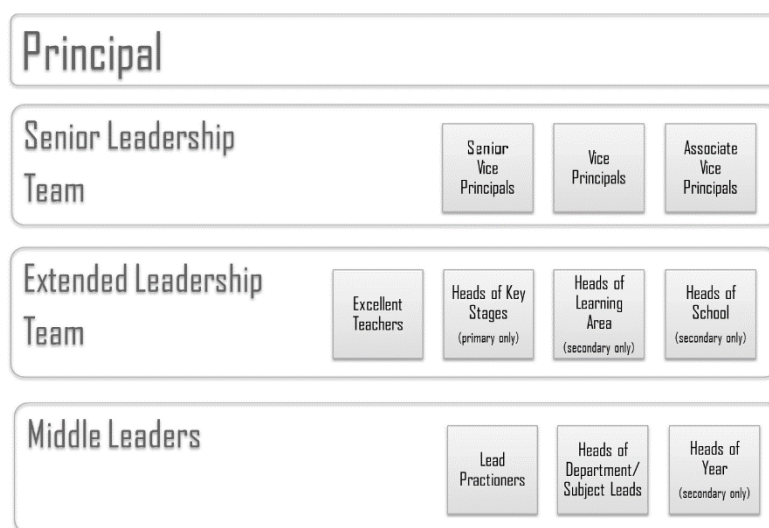
## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### 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



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.

The trust has a fully owned subsidiary, Mossbourne Trading Limited which is registered in England and Wales under company number 10248621. The company was incorporated on 23 June 2016 under the Companies Act 2016 as a private company limited by shares.



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

### **Organisational Structure (continued)**

The main purpose of Mossbourne Trading Limited is to carry out commercial activities such as lettings, consultancy, etc. on behalf of the trust.

The accounts of Mossbourne Trading Limited are consolidated in the financial statements of the trust.

### **Arrangements for setting pay and remuneration of key management personnel**

The Governing Body based on recommendation from the CEO, approves pay awards for staff and 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**

There is no trade union arrangement to report 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. The focus of the event this year was on anti-racism. 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.

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 the relationship is based on openness, trust, integrity, objectivity but above all the core values of the Federation which are Excellence, No Excuses and Unity.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Engagement with suppliers, customers and others in a business relationship with the trust (continued)

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.

## OBJECTIVES AND ACTIVITIES

### Objects and aims

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

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.

### 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.

## **OBJECTIVES AND ACTIVITIES (continued)**

### **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**

#### ***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 192 applicants who met the criteria to join the Mossbourne Sixth Form in September 2023. The total number of Sixth Form students on roll is 377.

Internal results for years 7-10 from both academies show that academic progress is in close agreement for most subjects, as evidenced by the end of year examinations in July 2023.

#### ***Secondary - GCSE Year 10***

Mossbourne students take the GCSE Religious Studies (Full Course) examination in year 10. These results continue to be outstanding. MCA Full course students (195) achieved an average grade of 6.67, with 23% achieving grade 9 and 57% achieving grade 7 or higher. MVPA Full course students (162) achieved an average grade of 6.33, with 18% achieving grade 9 and 51% achieving grades 7 or higher. Both academies have continued to achieve outstanding results in early entry Religious Studies.

## STRATEGIC REPORT (continued)

### Achievements and Performance (continued)

#### *Secondary (continued)*

##### *Secondary - GCSE Year 10 (continued)*

2023 also saw the introduction of early entry GCSE Latin. The scheme of work and assessment schedules are not as established as in Religious Studies and the outcomes have been more variable with MCA students achieving an average grade of 6.13 and 6% grades 9 with 48% grades 7+. MVPA students achieved an average grade of 5.46 with 8% grade 9 and 38% grades 7+.

10 students in MCA also took GCSE Turkish in Year 10 and achieved outstanding results. The average grade is 8.80 (Maximum score is 9) with 80% grade 9 and 100% grades 7+.

##### *Secondary - GCSE Year 11*

The grading of 2023 GCSE results nationally was targeted to match the standard set in 2019, before the Covid-19 pandemic affected the determination of GCSE grades.

The national unvalidated data published in October 2023 stated the Attainment 8 score of Mossbourne Community Academy is 63.5 compared to the Hackney average value of 51.2 and the national figure of 46.2. The corresponding Progress 8 score is **+1.23**. This ranks MCA 24<sup>th</sup> in England with regard to highest Progress 8 Score. 74% of students achieved grades 5+ in English and Maths compared to 45% nationally. 64% of students achieved EBacc at grades 5+ compared to national values of around 16%. MCA is placed in the highest DfES category for performance - "Well Above Average".

Those students studying at Mossbourne Community Academy who are classed as disadvantaged due to parental income, free school meals, or being Looked After Children have achieved GCSE level results well above national norms. They have an average Attainment 8 grade of 55.3 compared with **non-disadvantaged** students nationally (50.2) and **non-disadvantaged** students in Hackney (57.5). This translates to a Progress 8 score of **+0.91**, which compares with +0.17 for national non-disadvantaged pupils, and +0.65 for Hackney non-disadvantaged pupils.

The Attainment 8 score for Mossbourne Victoria Park Academy (October Unvalidated) is 65.2. The corresponding Progress 8 score is **+1.15** which ranks MVPA 30<sup>th</sup> nationally for Progress 8. The fact that the two secondary academies are both high performing and similarly ranked demonstrates the effectiveness of coordinating standards of teaching, learning and assessment between the two schools. 73% of MVPA students achieved grades 5+ in English and Maths, and 63% achieved EBacc at grades 5+. These are almost identical values to MCA, another indicator of established consistency in high academic achievement. MVPA is also ranked in the "Well Above Average" category by the DfES.

Disadvantaged students at MVPA also achieve outstanding results compared to national norms. The average Attainment 8 score for this cohort is 60.0 and corresponding Progress 8 score is **+1.00**.

## STRATEGIC REPORT (continued)

### Achievements and Performance (continued)

#### *Secondary (continued)*

##### *Secondary - A Level*

The 2023 A-Level results represent outstanding attainment by Mossbourne Sixth Form. 20% of all grades were A\* compared to 8.9% nationally. 49% of grades were A,A\* compared to 27.2% nationally. 96% of grades were C or higher which compares to a national figure of 75.9%. The average grade of 46.52 (A-) is significantly higher than the national average of 38.87 (B), and the Hackney Schools average of 37.38 (B-).

Those students studying at Mossbourne Sixth Form who are classed as disadvantaged due to parental income, free school meals, or being Looked After Children have achieved A-level results well above national norms. They have an average A-level grade of 43.93 (B+) compared with **non-disadvantaged** students nationally (38.55, B) and **non-disadvantaged** students in Hackney (39.7, B).

9% of students achieved 100% A\* grades and 33% students achieved 100% grades A\*/A. 16 students progressed to study at Oxford or Cambridge. 8 students will be studying Medicine or Veterinary Science a testament to the effectiveness of the medical bursary programme. 3 students will be studying Architecture after following the Mossbourne Architecture Programme. 99% of students progressed to university study with 62% achieving places at Russell Group universities.

#### *Primary*

##### *The Curriculum*

MRA and MPA's joint curriculum continues to enable pupils to become high-achieving learners who are well-equipped for the next stage in their education. The curriculum is knowledge-rich and rigorous. It is designed to be enriching and stimulating, whilst meeting and exceeding the expectations set out in the National Curriculum. 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.

**STRATEGIC REPORT** (continued)

**Achievements and Performance** (continued)

*Primary (continued)*

*The Curriculum (continued)*

- ♦ 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 adapted, and where needed, 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 within early reading.

**MRA**

	RWM EX	RWM GD	R EX	W EX	M EX	R GD	W GD	M GD
KS1								
MRA	74	26	82	75	85	42	27	35
Hackney	68	14	74	71	76	25	17	23
National	56	6	68	60	71	19	8	16
KS2								
MRA	82	27	88	90	93	57	33	57
Hackney	70	13	78	80	81	34	23	28
National	59	8	73	71	73	29	12	24

- Phonics = 97% Y1/ 100% Y2
- GLD 80%

## STRATEGIC REPORT (continued)

### Achievements and Performance (continued)

#### Primary (continued)

##### MPA

	RWM EX	RWM GD	R EX	W EX	M EX	R GD	W GD	M GD
KS1								
MPA	73	2	76	75	76	20	2	16
Hackney	68	14	77	71	76	25	17	23
National	53	6	68	60	71	19	8	16
KS2								
MPA	73	3	85	75	83	22	10	25
Hackney	70	13	78	80	81	34	23	28
National	59	8	73	71	73	29	13	24

- Phonics = 93% Y1/ 100% Y2
- GLD 72%

Groups containing children with special needs are provided with additional support from teaching and support staff. More able children are identified and provided with extension work and enrichment activities.

#### Charitable Achievements

Pupils within the Federation have made contributions to a variety of charities. 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.

#### 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.

## STRATEGIC REPORT (continued)

### **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 is 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 recruited a Fundraising and Development Manager and created a Development Team 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 teaching, cyber-attack, 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 page 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.

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.



## FINANCIAL REVIEW (continued)

### Financial and risk management objectives and policies (continued)

#### *Risk management (continued)*

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 termly 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 2023 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. 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 2023, total expenditure of £30,765,000 (2022 - £30,320,000), 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 £1,432,000 (2022 - £204,000 deficit).

## FINANCIAL REVIEW (continued)

### Financial and risk management objectives and policies (continued)

#### *Principal risks and uncertainties*

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

- a) **Ability to manage growth:** The Federation continues to explore expansion opportunities but it is aware of the negative impact of rapid expansion 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 to Academies and 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) **Falling roll at primary academies:** This will materially affect the Federation's financial position as funding is based on pupil numbers. This risk is actively monitored but currently assessed as low due to recent Ofsted ratings for both Mossbourne Parkside Academy and Mossbourne Riverside Academy.
- E) **Compliance and Management of estates:** Directors are fully aware of their responsibilities in relation to safeguarding, compliance and ensuring that estates are well maintained. There is a 10-year Premises Development Plan in place to ensure that buildings continue to be safe so that teaching and learning are not interrupted. Also, the trust ensures that staff and pupils are kept safe through the installation of CCTV cameras and access control systems across its schools.

## FINANCIAL REVIEW (continued)

### Financial position and reserves policy

#### *Financial position*

At 31 August 2023 the net book value of fixed assets was £67,469,000 (2022 - £69,081,000) 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 2023 of £76,861,000 (2022 - £77,526,000) comprising £73,925,000 (2022 - £74,959,000) of restricted funds including a pension reserve deficit of £nil (2022 - £nil) and unrestricted funds of £2,936,000 (2022 - £2,567,000).

#### *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 2023, the Federation's revenue reserves comprised £2,936,000 (2022 - £2,567,000) of unrestricted funds and £6,455,000 (2022 - £5,878,000) of restricted ESFA and other restricted general funds. The Directors believe that although these reserves may appear high in comparison to the sector, in the above context, they 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 not only to ensure the achievement of the investment objectives, but also to see 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 as well as a Fundraising and Development Manager, together they actively seek 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	2023	2022
Energy consumption used to calculate emissions (kWh)	4,115,007	3,835,148
Energy consumption break down (kWh) (optional)		
• gas,	2,457,111	2,363,033
• electricity,	1,657,897	1,472,115
• transport fuel		
<u>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</u>		
Gas consumption	448	431
Owned transport - mini-buses	N/A	N/A
<u>Total scope 1</u>	448	431
<u>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</u> Purchased electricity	343	285
<u>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</u> Business travel in employee owned vehicles	N/A	N/A
Total gross emissions in metric tonnes CO <sub>2</sub> e	761	716
<u>Intensity ratio</u>		
Tonnes CO <sub>2</sub> e per pupil	0.23	0.22
<p><b>Quantification and Reporting Methodology</b>                      We have followed the 2023 HM Government Environmental Reporting Guidelines.</p> <p><b>Intensity measurement</b>                      The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.</p> <p><b>Measures taken to improve energy efficiency</b>                      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.</p>		

### **PLANS FOR FUTURE PERIODS**

The Federation will continue striving to improve the levels of performance of its students at all levels. As part of its expansion strategy, the East of England Regions advisory board approved a re-brokerage deal of the Ortu Federation into Mossbourne Federation subject to the outcome of due diligence by the Mossbourne Federation.

In September 2023, Mossbourne Parkside Academy reduced its Published Admission Number (PAN) for admission into Reception from 60 to 30. This is in line with the projected reduction of primary pupil numbers in Hackney. Despite the reduction in PAN, the Federation will continue to focus on increasing pupil numbers at both Mossbourne Parkside Academy and Mossbourne Riverside Academy.

Over the coming years, the Federation aims to:

- ◆ To establish a cohesive federation of exceptional schools that work cooperatively to achieve the best outcomes for every child
- ◆ 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
- ◆ To improve space utilisation at Mossbourne Community Academy and Mossbourne Victoria Park Academy through the creation of a buildings improvement programme.

## Directors' report Year to 31 August 2023

### 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 06 December 2023 and signed on the board's behalf by:

Director



Henry Colthurst

## Governance statement Year to 31 August 2023

### 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
Toby Campbell-Gray	3	3
Andrew Cartwright	3	3
Henry Colthurst (Chair)	3	3
Maggie Kalnins	3	3
Samantha Lloyd	3	3
Tyrone Silcott	2	3
Emma Swinton	3	3
Patricia Westerburg	3	3

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 Trust's finances by all Board members, it was deemed that three meetings a year would be adequate.

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 2023

### 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
Christopher Berry (resigned 01/05/23)	1	2
Andrew Cartwright (Chair)	3	3
Samantha Lloyd	3	3
Nick Warner	3	3

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 auditors' reports and make recommendations to the Central Federation Body in response to those findings.

Attendance at meetings in the year was as follows:

Risk & Controls	Number of meetings attended	Out of a possible
Toby Campbell-Gray (Chair)	3	3
Maggie Kalnins	3	3

### Conflicts of interest

The Accounting Officer is responsible for ensuring that appropriate measures are in place to identify conflicts of interest from staff and governors. There is a process in place designed to prevent or mitigate against conflicts of interest that may arise from time to time. Governors are required to declare any conflict of interest at every meeting as well as an annual declaration at the end of the academic year.

### 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

To manage its estates, the Federation has put in place a 10-year Premises Development Plan which is reviewed annually by the Finance Committee for capital works required to maintain estates to a level that is safe for its staff and pupils.

In addition, the Federation ensures that compliance is maintained through a third party contractor with SLAs put in place which are reviewed termly.

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 Accounting Officer for the Federation has delivered and improved value for money during the year by:

#### **1. *Pupils consistently make outstanding progress***

The high grades recorded in GCSE results at Mossbourne Community Academy and Mossbourne Victoria Park Academy position the Federation as one of the country's leading Academies.

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%) and MVPA (94.2%).

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. An example of this is found at the secondary academies with over 1,500 lesson observations carried out, of which 98% were regarded as either good or outstanding.

#### **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 termly to ensure that the Federation's financial systems and the maintenance of robust controls are not in any way compromised.

### Review of value for money (continued)

The Local and Central Federation Bodies, through the Finance Committee, 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 2023 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 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Central Federation Body and the Risk & Controls 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;

**The risk and control framework (continued)**

- ♦ 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 have appointed a firm of external auditors to perform assurance work on the internal controls as permitted by the Academy Trust 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 Transforming, Inspiring, Advising, Assuring (TIAA).

**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 risk and controls 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:

Peter Hughes



(Chief Executive Officer and Accounting Officer)

Approved on: 06 December 2023

## Statement on regularity, propriety and compliance Year to 31 August 2023

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, including for estates safety and management, 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 Academy Trust Handbook 2022 including responsibilities for estates safety and management.

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 Academy Trust Handbook 2022.

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.



Accounting Officer - Peter Hughes

Date: 06 December 2023

## Statement of Directors' responsibilities Year to 31 August 2023

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 Directors' 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 2022 to 2023;
- ◆ 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:

Chairman , Henry Colthurst



Date: 06 December 2023

## **Independent auditor's report on the consolidated financial statements to the members of The Mossbourne Federation 31 August 2023**

### **Opinion**

We have audited the financial statements of Mossbourne Federation (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 August 2023 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, 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 2019) and the Academies Accounts Direction 2022 to 2023.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2023, and of the group's income and expenditure for the period 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 2019 and Academies Accounts Direction 2022 to 2023.

### **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**

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

**Independent auditor's report on the consolidated financial statements to the members of  
The Mossbourne Federation 31 August 2023**

**Conclusions relating to going concern (continued)**

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

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

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the Directors' report, which 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 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 the 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.

## **Independent auditor's report on the consolidated financial statements to the members of The Mossbourne Federation 31 August 2023**

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

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

- ◆ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

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

In preparing the financial statements, the Directors are responsible for assessing the group's and the charitable parent 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 Directors either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



**Independent auditor's report on the consolidated financial statements to the members of  
The Mossbourne Federation 31 August 2023**

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2022 to 2023, the Academies Financial Handbook 2022, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of Directors' meetings and the subsidiary company directors' meetings and papers provided to the Directors.
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Independent auditor's report on the consolidated financial statements to the members of  
The Mossbourne Federation 31 August 2023**

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of directors' meetings and subsidiary company directors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report on the consolidated financial statements to the members of  
The Mossbourne Federation 31 August 2023**

**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*

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

08 December 2023

## **Independent reporting accountant's assurance report on regularity of The Mossbourne Federation and the Education and Skills Funding Agency 31 August 2023**

In accordance with the terms of our engagement letter dated 14 October 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA.

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

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

**Independent reporting accountant's assurance report on regularity of The Mossbourne Federation and the Education and Skills Funding Agency 31 August 2023**

**Approach (continued)**

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Buzzacott LLP*

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

08 December 2023

**Consolidated Statement of financial activities** Year to 31 August 2023  
(including Income and Expenditure Account)

	Notes	Un- restricted general fund £'000	Restricted funds		Total funds 2023 £'000	Total funds 2022 £'000
			General funds £'000	Fixed assets £'000		
<b>Income from:</b>						
Donations and capital grants	2	—	89	195	284	192
<i>Charitable activities:</i>						
. Funding for the Federation's educational operations	5	—	28,734	—	28,734	26,877
Other trading activities	3	844	—	—	844	820
Investments	4	127	—	—	127	20
<b>Total income</b>		<b>971</b>	<b>28,823</b>	<b>195</b>	<b>29,989</b>	<b>27,909</b>
<b>Expenditure on:</b>						
<i>Raising funds</i>	6	190	—	—	190	193
<i>Charitable activities</i>						
. Federation's educational operations	7	411	27,762	2,402	30,575	30,127
<b>Total expenditure</b>	6	<b>601</b>	<b>27,762</b>	<b>2,402</b>	<b>30,765</b>	<b>30,320</b>
<b>Net income (expenditure)</b>		<b>370</b>	<b>1,061</b>	<b>(2,207)</b>	<b>(776)</b>	<b>(2,411)</b>
Transfers between funds	18	(1)	(594)	595	—	—
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	23	—	110	—	110	8,262
<b>Net movement in funds</b>		<b>369</b>	<b>577</b>	<b>(1,612)</b>	<b>(666)</b>	<b>5,851</b>
<b>Reconciliation of funds</b>						
Fund balances brought forward at 1 September 2022		2,567	5,878	69,081	77,526	71,675
<b>Fund balances carried forward at 31 August 2023</b>		<b>2,936</b>	<b>6,455</b>	<b>67,469</b>	<b>76,860</b>	<b>77,526</b>

## Balance sheets at 31 August 2023

	Notes	Group 2023 £'000	Academies 2023 £'000	Group 2022 £'000	Academies 2022 £'000
<b>Fixed assets</b>					
Intangible assets	14	14	14	30	30
Tangible assets	15	67,455	67,455	69,051	69,050
		<b>67,469</b>	<b>67,469</b>	<b>69,081</b>	<b>69,080</b>
<b>Current assets</b>					
Debtors	16	1,123	1,119	1,361	1,360
Cash at bank and in hand		7,729	7,695	11,422	11,392
Short term deposits		4,424	4,424	—	—
		<b>13,276</b>	<b>13,238</b>	<b>12,783</b>	<b>12,752</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	(3,885)	(3,880)	(4,338)	(4,334)
<b>Net current assets</b>		<b>9,391</b>	<b>9,358</b>	<b>8,445</b>	<b>8,418</b>
<b>Total assets less current liabilities</b>		<b>76,860</b>	<b>76,827</b>	<b>77,526</b>	<b>77,498</b>
Defined benefit pension scheme liability	23	—	—	—	—
<b>Total net assets</b>		<b>76,860</b>	<b>76,827</b>	<b>77,526</b>	<b>77,498</b>
<b>Restricted funds</b>					
. Fixed asset fund	18	67,469	67,469	69,081	69,081
. Restricted income fund	18	6,455	6,455	5,878	5,878
. Pension reserve	18	—	—	—	—
<b>Total restricted funds</b>		<b>73,924</b>	<b>73,924</b>	<b>74,959</b>	<b>74,959</b>
<b>Unrestricted general funds</b>					
. General fund	18	2,903	2,903	2,539	2,539
. Funds retained with subsidiary	18	33	—	28	—
<b>Total funds</b>		<b>76,860</b>	<b>76,827</b>	<b>77,526</b>	<b>77,498</b>

The financial statements on pages 36 to 67 were approved by the Directors on 06 December 2023 and signed on their behalf by:



Andrew Cartwright - Director

Company number 04468267

## Consolidated Statement of cash flows Year to 31 August 2023

		2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	A	1,199	3,215
<b>Cash used in investing activities</b>	B	(4,892)	(535)
<b>Change in cash and cash equivalents in the year</b>	C	(3,693)	2,680
<b>Cash and cash equivalents at 1 September 2022</b>		11,422	8,742
<b>Cash and cash equivalents at 31 August 2023</b>	D	7,729	11,422

### A Reconciliation of net expenditure to net cash provided by operating activities

	2023 £'000	2022 £'000
<b>Net (expenditure) income for the year (as per the statement of financial activities)</b>	(776)	(2,411)
<b>Adjusted for:</b>		
Amortisation charge (note 14)	16	22
Depreciation charge (note 15)	2,386	2,249
Capital grants from DfE and other capital income	(195)	(64)
Interest receivable (note 4)	(127)	(20)
Defined benefit pension scheme cost less contributions payable (note 24)	154	1,326
Defined benefit pension scheme finance cost (note 24)	(44)	123
Decrease (increase) in debtors	238	(43)
(Decrease) increase in creditors	(453)	2,032
Decrease in provisions	—	1
<b>Net cash provided by operating activities</b>	<b>1,199</b>	<b>3,215</b>

### B Cash flows from investing activities

	2023 £'000	2022 £'000
Dividends, interest and rents from investments	128	20
Purchase of tangible fixed assets	(790)	(572)
Purchase of intangible fixed assets	—	(47)
Purchase of short term deposits	(4,424)	—
Capital grants from DfE/ESFA	195	64
<b>Net cash used in investing activities</b>	<b>(4,892)</b>	<b>(535)</b>

### C Analysis of cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	7,729	11,422
<b>Total cash and cash equivalents</b>	<b>7,729</b>	<b>11,422</b>



## Consolidated Statement of cash flows Year to 31 August 2023

### D Analysis of changes in net funds

Group	At 1 September 2022 £'000	Cash flows £'000	At 31 August 2023 £'000
Cash	11,422	(3,693)	7,729

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

## Principal accounting policies Year to 31 August 2023

### 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 Federation, 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 2022 to 2023 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 Federation balance sheet consolidate the financial statements of the academy trust and those of its subsidiary company, Mossbourne Trading 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 the Charities SORP.

### 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.

### Income

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

**Income (continued)**

***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 Federation has provided the goods or services.

***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 Federation'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 Federation 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 Federation's educational operations, including support costs and costs relating to the governance of the federation 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

### **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.

## Principal accounting policies Year to 31 August 2023

### Tangible fixed assets (continued)

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
♦ Building improvements	over twenty 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 federation 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 there is 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 Federation only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Federation 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.

*Short term deposits* - fixed term deposit accounts with a maturity date between 3-12 months.

*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 Federation 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 Federation 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 Federation 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 Federation 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 23, 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 Federation 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. The LGPS surplus is not carried on the balance sheet in accordance with the requirements of FRS 102. Accordingly, a corresponding adjustment against the actuarial gain has been made to bring the net LGPS position to £nil on the balance sheet.

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

## Principal accounting policies Year to 31 August 2023

### **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 Federation 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 23, 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 2020 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 Federation was subject to limits at 31 August 2023 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 2023.

## 2 Donations and capital grants

	Unrestricted fund £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2023 Total funds £'000	2022 Total funds £'000
Capital grants	—	—	195	195	64
Other donations	—	89	—	89	128
	—	89	195	284	192

	Unrestricted fund £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2022 Total funds £'000
Capital grants	—	—	64	64
Other donations	—	128	—	128
	—	128	64	192

## 3 Other trading activities

	Unrestricted fund £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
Income from ancillary trading activities	—	—	—	11
Catering income	366	—	366	374
Trading subsidiary income	38	—	38	33
Miscellaneous income	440	—	440	402
	844	—	844	820

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

### 3 Other trading activities (continued)

	Unrestricted fund £'000	Restricted funds £'000	2022 Total funds £'000
<i>Income from ancillary trading activities</i>	11	—	11
<i>Catering income</i>	374	—	374
<i>Trading subsidiary income</i>	33	—	33
<i>Miscellaneous income</i>	402	—	402
	<b>820</b>	<b>—</b>	<b>820</b>

### 4 Investment income

	Unrestricted fund £'000	Restricted funds £'000	2023 Total funds £'000	2022 Total funds £'000
Interest receivable	127	—	127	20
	<b>127</b>	<b>—</b>	<b>127</b>	<b>20</b>

	Unrestricted fund £'000	Restricted funds £'000	2022 Total funds £'000
<i>Interest receivable</i>	20	—	20
	<b>20</b>	<b>—</b>	<b>20</b>

## 5 Funding for the Federation's educational operations

	Unrestricted £'000	Restricted £'000	2023 Total funds £'000	2022 Total funds £'000
<b>DfE/ESFA grants</b>				
- General Annual Grant (GAG) (note 1)	—	24,247	24,247	23,392
- Pupil Premium	—	1,354	1,354	1,289
- Others	—	1,244	1,244	518
	—	26,845	26,845	25,199
<b>Other Government grants</b>				
- Local authority grants	—	1,406	1,406	1,395
	—	1,406	1,406	1,395
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up and recovery premium	—	292	292	147
School led tutoring	—	191	191	136
	—	483	483	283
<b>2023 total funds</b>	—	28,734	28,734	26,877

The trust received £292,000 (2022: £147,000) of funding for recovery premium (2022: recovery premium) and costs incurred in respect of this funding totalled £292,000 (2022: £147,000), with all funds spent at 31 August 2023.

## 5 Funding for the Federation's educational operations (continued)

	Unrestricted £'000	Restricted £'000	2022 Total funds £'000
<i>DfE/ESFA grants</i>			
- General Annual Grant (GAG) (note 1)	—	23,392	23,392
- Pupil Premium	—	1,289	1,289
- Others	—	518	518
	—	25,199	25,199
<i>Other Government grants</i>			
- Local authority grants	—	1,395	1,395
	—	1,395	1,395
<i>COVID-19 additional funding (DfE/ESFA)</i>			
Catch-up and recovery premium	—	147	147
School led tutoring	—	136	136
Other DfE/ESFA COVID-19 funding	—	—	—
	—	283	283
<b>2022 total funds</b>	—	26,877	26,877

## 6 Expenditure

	Staff costs £'000	Non-pay expenditure		2023 Total funds £'000	2022 Total funds £'000
		Premises £'000	Other costs £'000		
<i>Expenditure on raising funds</i>					
- Direct costs	104	—	9	113	114
- Allocated support costs	37	27	13	77	79
	141	27	22	190	193
<i>Federation's educational operations</i>					
- Direct costs	15,795	2,170	1,452	19,417	18,962
- Allocated support costs	6,378	2,463	2,317	11,158	11,165
	22,314	4,660	3,791	30,765	30,320

## 6 Expenditure (continued)

	Staff costs £'000	Non-pay expenditure		2022 Total funds £'000
		Premises £'000	Other costs £'000	
<i>Expenditure on raising funds</i>				
- Direct costs	101	—	13	114
- Allocated support costs	40	25	14	79
	141	25	27	193
<i>Federation's educational operations</i>				
- Direct costs	15,226	2,045	1,691	18,962
- Allocated support costs	6,660	1,990	2,515	11,165
	22,027	4,060	4,233	30,320

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

	2023 £'000	2022 £'000
Net expenditure for the year includes:		
Operating lease rentals	87	76
Depreciation	2,386	2,249
Amortisation	16	22
Fees payable to financial statements auditor:		
.Audit	30	27
.Other services	10	7

## 7 Charitable activities - Federation's educational operations

	2023 Total funds £'000	2022 Total funds £'000
Direct costs	19,417	18,962
Support costs	11,158	11,165
	30,575	30,127

	2023 Total funds £'000	2022 Total funds £'000
<b>Analysis of support costs</b>		
Support staff costs	6,378	6,660
Depreciation	232	227
Technology costs	340	412
Premises costs	2,231	1,763
Other support costs	1,969	2,047
Governance costs	8	56
<b>Total support costs</b>	<b>11,158</b>	<b>11,165</b>

## 8 Comparative information

	Notes	Restricted funds		Total funds 2022 £'000
		Un- restricted general fund £'000	General funds £'000	
<b>Income from:</b>				
Donations and capital grants	2	—	128	64
<b>Charitable activities:</b>				
. Funding for the Federation's educational operations	5	—	26,877	—
Other trading activities	3	820	—	—
Investments	4	20	—	—
<b>Total income</b>		<b>840</b>	<b>27,005</b>	<b>64</b>
<b>Expenditure on:</b>				
Raising funds	6	193	—	—
<b>Charitable activities</b>				
. Federation's educational operations	7	679	27,177	2,271
<b>Total expenditure</b>	6	<b>872</b>	<b>27,177</b>	<b>2,271</b>
<b>Net income (expenditure)</b>		<b>(32)</b>	<b>(172)</b>	<b>(2,207)</b>
Transfers between funds	19	(1)	(553)	554
<b>Other recognised gains and losses</b>				
Actuarial gains (losses) on defined benefit pension schemes	23	—	8,262	—
<b>Net movement in funds</b>		<b>(33)</b>	<b>7,537</b>	<b>(1,653)</b>
<b>Reconciliation of funds</b>				
Fund balances brought forward at 1 September 2021		2,600	(1,659)	70,734
<b>Fund balances carried forward at 31 August 2022</b>		<b>2,567</b>	<b>5,878</b>	<b>69,081</b>

## 9 Staff

### a) Staff costs

Staff costs during the period were:

	2023 Total funds £'000	2022 Total funds £'000
Wages and salaries	15,734	15,612
Social security costs	1,915	1,738
Pension costs	3,378	4,293
Apprenticeship levy	62	43
	<b>21,089</b>	<b>21,686</b>
Supply staff costs	1,154	341
Staff restructuring costs	71	—
	<b>22,314</b>	<b>22,027</b>

Staff restructuring comprises:

	2023 £'000	2022 £'000
Severance payments	71	—

### b) Staff severance payments

The academy trust paid £71,069 of severance payments in the year, disclosed in the following bands:

	2023 £'000	2022 £'000
£0 - £25,000	4	—
£25,001 - £50,000	1	—

### c) Staff numbers

The average number of persons (including senior management team) employed by the Federation during the year ended 31 August 2023 was as follows:

	Full Time Equivalent		Average	
	2023 Number	2022 Number	2023 Number	2022 Number
<b>Charitable activities</b>				
- Teachers and educational support	241	238	257	265
- Administration and support	139	137	170	169
- Management	8	7	8	7
	<b>388</b>	<b>394</b>	<b>435</b>	<b>441</b>

## 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 2023 expressed as full-time equivalents was as follows:

	2023 Number	2022 Number
£60,001 - £70,000	21	15
£70,001 - £80,000	13	8
£80,001 - £90,000	5	1
£90,001 - £100,000	1	4
£100,001 - £110,000	2	—
£120,001 - £130,000	1	1
£140,001 - £150,000	—	1
£150,001 - £160,000	1	—

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 2023, pension contributions for these staff amounted to £705,866 (2022: £519,395).

### *e) Key management personnel*

The key management personnel of the Federation 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 federation was £1,019,165 (2022: £974,000).

## 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 24.

## 11 Directors' 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.



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

### 12 Commercial trading operations

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

	2023 £'000	2022 £'000
Turnover	38	33
Cost of sales	—	—
<b>Gross profit</b>	<b>38</b>	<b>33</b>
Administrative expenses	(5)	(5)
<b>Profit on ordinary activities before taxation</b>	<b>33</b>	<b>28</b>
Donation to Mossbourne Federation	(28)	(91)
Tax	—	—
<b>Retained profit / accumulated losses</b>	<b>5</b>	<b>(63)</b>

The assets and liabilities of the subsidiary were:

	2023 £'000	2022 £'000
Current assets	45	38
Creditors: amounts falling due within one year	(12)	(10)
<b>Total assets less current liabilities</b>	<b>33</b>	<b>28</b>

### 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:

	2023 £'000	2022 £'000
Mossbourne Victoria Park Academy	667	625
Mossbourne Community Academy	982	1,021
Mossbourne Riverside Academy	295	279
Mossbourne Parkside Academy	253	250
Mossbourne Trading	1	3
	<b>2,198</b>	<b>2,178</b>

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

### 14 Intangible fixed assets (Federation and Academies)

	Computer software £'000
<b>Cost</b>	
At 1 September 2022	326
Additions	—
At 31 August 2023	326
<b>Amortisation</b>	
At 1 September 2022	296
Charge in year	16
At 31 August 2023	312
<b>Net book values</b>	
At 31 August 2023	14
At 31 August 2022	30

### 15 Tangible fixed assets

Federation	Freehold land and buildings £'000	Leasehold land and buildings £'000	Building improvements £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
<b>Cost / valuation</b>							
At 1 September 2022	65,891	20,938	—	5,128	3,330	26	95,313
Additions	—	—	346	241	203	—	790
At 31 August 2023	65,891	20,938	346	5,369	3,533	26	96,103
<b>Depreciation</b>							
At 1 September 2022	16,796	2,694	—	3,721	3,025	26	26,262
Charge for year	1,318	418	35	315	300	—	2,386
At 31 August 2023	18,114	3,112	35	4,036	3,325	26	28,648
<b>Net book values</b>							
At 31 August 2023	47,777	17,826	311	1,333	208	—	67,455
At 31 August 2022	49,095	18,244	—	1,407	305	—	69,051

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

### 15 Tangible fixed assets (continued)

Academies	Freehold land and buildings £'000	Leasehold land and buildings £'000	Building improve- ments £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
<b>Cost / valuation</b>							
At 1 September 2022	65,891	20,938	—	5,125	3,326	26	<b>95,306</b>
Additions	—	—	346	241	203	—	<b>790</b>
At 31 August 2023	<b>65,891</b>	<b>20,938</b>	<b>346</b>	<b>5,366</b>	<b>3,529</b>	<b>26</b>	<b>96,096</b>
<b>Depreciation</b>							
At 1 September 2022	16,796	2,694	—	3,718	3,021	26	<b>26,255</b>
Charge for year	1,318	418	35	315	300	—	<b>2,386</b>
At 31 August 2023	<b>18,114</b>	<b>3,112</b>	<b>35</b>	<b>4,033</b>	<b>3,321</b>	<b>26</b>	<b>28,641</b>
<b>Net book values</b>							
At 31 August 2023	<b>47,777</b>	<b>17,826</b>	<b>311</b>	<b>1,333</b>	<b>208</b>	<b>—</b>	<b>67,455</b>
At 31 August 2022	<b>49,095</b>	<b>18,244</b>	<b>—</b>	<b>1,406</b>	<b>305</b>	<b>—</b>	<b>69,050</b>

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

	Federation 2023 £'000	Academies 2023 £'000	Federation 2022 £'000	Academies 2022 £'000
Trade debtors	27	16	39	32
VAT recoverable	526	533	658	664
Other debtors	2	2	12	12
Prepayments and accrued income	568	568	652	652
	<b>1,123</b>	<b>1,119</b>	<b>1,361</b>	<b>1,360</b>

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

	Federation 2023 £'000	Academies 2023 £'000	Federation 2022 £'000	Academies 2022 £'000
Trade creditors	1,333	1,333	1,401	1,401
Other taxation and social security	520	520	526	526
Other creditors	529	529	484	484
ESFA creditor: abatement of GAG	196	196	443	443
Accruals and deferred income	1,307	1,302	1,484	1,480
	<b>3,885</b>	<b>3,880</b>	<b>4,338</b>	<b>4,334</b>

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

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

	Federation 2023 £'000	Academies 2023 £'000	Federation 2022 £'000	Academies 2022 £'000
<b>Deferred income</b>				
Deferred income at 1 September 2022	160	160	527	394
Released during the year	(160)	(160)	(527)	(394)
Resources deferred in the year	173	173	160	160
Deferred income at 31 August 2023	173	173	160	160

### 18 Funds

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

	At 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2023 £'000
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	2,754	24,247	(23,310)	(594)	3,097
. Pupil premium	—	1,354	(1,354)	—	—
. Start Up Grant	425	—	—	—	425
. School led tutoring grant	77	191	(231)	—	37
. COVID recovery premium	—	292	(292)	—	—
. Donations	271	89	(29)	—	331
. Other grants	2,351	2,650	(2,436)	—	2,565
. Pension reserve	—	—	(110)	110	—
	5,878	28,823	(27,762)	(484)	6,455
<b>Restricted fixed asset funds</b>					
. DfE/ESFA capital grants	18,146	195	(497)	—	17,844
. Private sector capital sponsorship & Hackney Council	47,843	—	(1,278)	—	46,565
. Implementation grant	17	—	(1)	—	16
. Other government grants	198	—	(13)	—	185
. Capital expenditure from GAG	1,677	—	(604)	595	1,668
. Private sector capital sponsorship	1,200	—	(9)	—	1,191
	69,081	195	(2,402)	595	67,469
<b>Total restricted funds</b>	74,959	29,018	(30,164)	111	73,924
<b>Unrestricted funds</b>					
General funds	2,539	933	(568)	(1)	2,903
Mossbourne Trading	28	38	(33)	—	33
<b>Total unrestricted funds</b>	2,567	971	(601)	(1)	2,936
<b>Total funds</b>	77,526	29,989	(30,765)	110	76,860

## 18 Funds (continued)

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 2023. 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.
- (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 2023 £'000	Total 2022 £'000
Fund balances at 31 August:		
Mossbourne Community Academy	4,776	4,237
Mossbourne Victoria Park	2,079	1,979
Mossbourne Parkside Academy	647	721
Mossbourne Riverside Academy	1,561	1,234
Central Trust	295	246
<b>Total before fixed assets and pension reserve</b>	<b>9,358</b>	<b>8,417</b>
Restricted fixed asset fund	67,469	69,081
Pension reserve	—	—
	<b>76,827</b>	<b>77,498</b>
Mossbourne Trading Ltd	33	28
<b>Total</b>	<b>76,860</b>	<b>77,526</b>

## 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	2023 Total £'000
Mossbourne Community Academy	7,764	1,886	644	2,091	12,385
Mossbourne Victoria Park Academy	4,880	908	411	1,134	7,333
Mossbourne Parkside Academy	1,187	1,019	177	570	2,953
Mossbourne Riverside Academy	1,666	963	165	569	3,363
Mossbourne Trading	—	—	—	33	33
Central	250	1,719	153	174	2,296
<b>Mossbourne Federation</b>	<b>15,747</b>	<b>6,495</b>	<b>1,550</b>	<b>4,571</b>	<b>28,363</b>

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

### 18 Funds (continued)

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	2022 Total £'000
Mossbourne Community Academy	7,508	1,710	734	1,689	11,641
Mossbourne Victoria Park Academy	4,708	843	402	1,046	6,999
Mossbourne Parkside Academy	1,303	804	202	463	2,772
Mossbourne Riverside Academy	1,676	665	225	495	3,061
Mossbourne Trading	—	—	—	93	93
Central	123	2,689	149	523	3,484
Mossbourne Federation	15,318	6,711	1,712	4,309	28,050

### Comparative information

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

	At 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2022 £'000
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	2,627	23,391	(22,711)	(553)	2,754
. Start Up Grant	425	—	—	—	425
. Pupil premium	—	1,289	(1,289)	—	—
Catch-up premium	—	147	(147)	—	—
School led tutoring grant	—	136	(59)	—	77
Other DfE/ESFA COVID-19 funding					
. Other grants	1,937	1,914	(1,500)	—	2,351
. Donations	165	128	(22)	—	271
. Pension reserve	(6,813)	—	(1,449)	8,262	—
	(1,659)	27,005	(27,177)	7,709	5,878
<b>Restricted fixed asset funds</b>					
. Private sector capital sponsorship & Hackney Council	49,121	—	(1,278)	—	47,843
. DfE/ESFA capital grants	18,613	64	(531)	—	18,146
. Capital expenditure from GAG	1,561	—	(438)	554	1,677
. Start up grant	1	—	(1)	—	—
. Implementation grant	18	—	(1)	—	17
. Other government grants	211	—	(13)	—	198
. Private sector capital sponsorship	1,209	—	(9)	—	1,200
	70,734	64	(2,271)	554	69,081
<b>Total restricted funds</b>	<b>69,075</b>	<b>27,070</b>	<b>(29,466)</b>	<b>8,262</b>	<b>74,959</b>
<b>Unrestricted funds</b>					
General funds	2,509	807	(776)	(1)	2,539
Mossbourne Trading	91	33	(96)	—	28
<b>Total unrestricted funds</b>	<b>2,600</b>	<b>840</b>	<b>(872)</b>	<b>—</b>	<b>2,567</b>
<b>Total funds</b>	<b>71,675</b>	<b>27,909</b>	<b>(30,338)</b>	<b>8,262</b>	<b>77,526</b>

## 19 Analysis of net assets between funds

		Restricted funds		
	Unrestricted funds	General	Fixed asset	Total
Group	£'000	£'000	£'000	2023 £'000
Fund balances at 31 August 2023 are represented by:				
Intangible fixed assets	—	—	14	14
Tangible fixed assets	—	—	67,455	67,455
Current assets	2,936	10,340	—	13,276
Current liabilities	—	(3,885)	—	(3,885)
<b>Total net assets</b>	<b>2,936</b>	<b>6,455</b>	<b>67,469</b>	<b>76,860</b>

Group	Unrestricted funds £'000	Restricted funds		Total 2022 £'000
		General £'000	Fixed asset £'000	
Fund balances at 31 August 2022 are represented by:				
Intangible fixed assets	—	—	30	30
Tangible fixed assets	—	—	69,051	69,051
Current assets	2,567	10,216	—	12,783
Current liabilities	—	(4,338)	—	(4,338)
Total net assets	2,567	5,878	69,081	77,526

		Restricted funds		
	Unrestricted funds		Fixed asset	Total
	£'000	General £'000	£'000	2023 £'000
Academies				
Fund balances at 31 August 2023 are represented by:				
Intangible fixed assets	—	—	14	14
Tangible fixed assets	—	—	67,455	67,455
Current assets	2,903	10,335	—	13,238
Current liabilities	—	(3,880)	—	(3,880)
Total net assets	2,903	6,455	67,469	76,827

		Restricted funds		
	Unrestricted funds	General	Fixed asset	Total
	£'000	£'000	£'000	2022
Academies				£'000
<hr/>				
Fund balances at				
31 August 2022 are represented by:				
Intangible fixed assets	—	—	30	30
Tangible fixed assets	—	—	69,051	69,051
Current assets	2,539	10,212	—	12,751
Current liabilities	—	(4,334)	—	(4,334)
Total net assets	2,539	5,878	69,081	77,498

## 20 Capital commitments

	2023 £'000	2022 £'000
Authorised and contracted for	—	—

## 21 Commitments under operating leases

At 31 August 2023, the total of the Federation's future minimum lease payments under non-cancellable operating leases, in respect of equipment, was as follows:

	2023 £'000	2022 £'000
Amounts due within one year	69	46
Amounts due between two and five years inclusive	132	27
	<b>201</b>	<b>73</b>

## 22 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.

## 23 Pension commitments and similar obligations

The Federation'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.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2020.

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.



## 23 Pension commitments and similar obligations (continued)

### *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 actuarial valuation of the TPS which applied during the year ended 31 August 2023 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 latest actuarial valuation results, as at 31 March 2020, were released in October 2023. The valuation result is due to be implemented from 1 April 2024, from this date employer contribution rates will increase to 28.68% (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the period amounted to £2,380,833 (2022: £2,259,000).

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 Federation has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Federation has set out above the information available on the scheme.

## 23 Pension commitments and similar obligations (continued)

### *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 2023 was £840,000 (2022: £742,000), of which employer's contributions totalled £628,000 (2022: £550,000) and employees' contributions totalled £212,000 (2022: £192,000). The agreed contribution rates for future years were:

Full time equivalent salary	Contribution rate per year
£0 - £16,500	5.5%
£16,501 - £25,900	5.8%
£25,901 - £42,100	6.5%
£42,101 - £53,300	6.8%
£53,301 - £74,700	8.5%
£74,701 - £105,900	9.9%
£105,901 - £124,800	10.5%
£124,801 - £187,200	11.4%
£187,201 or more	12.5%

Employer's pension contribution rates vary from academy to academy ranging from 17.5% to 19%.

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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on the GOV.UK website.

Principal Actuarial Assumptions	At 31 August 2023	At 31 August 2022
Rate of increase in salaries	3.45%	3.35%
Rate of increase for pensions in payment / inflation	2.95%	3.05%
Discount rate for scheme liabilities	5.20%	4.25%
Inflation assumption (CPI)	2.95%	3.05%

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 2023	At 31 August 2022
<i>Retiring today</i>		
Males	21.0	21.1
Females	23.4	23.6
<i>Retiring in 20 years</i>		
Males	21.4	22.5
Females	25.2	25.6

## 23 Pension commitments and similar obligations (continued)

### *Local Government Pension Scheme (LGPS) (continued)*

	At 31 August 2023 £'000	At 31 August 2022 £'000
Sensitivity analysis		
Discount rate -0.5%	61	72
Salary rate +0.5%	3	4
Pension rate +0.5%	59	70

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

	Fair value at 31 August 2023 £'000	Fair value at 31 August 2022 £'000
Equities	6,368	7,095
Bonds	4,164	2,517
Property	1,470	1,259
Cash	245	572
<b>Total market value of assets</b>	<b>12,247</b>	<b>11,443</b>
<b>Present value of scheme liabilities</b>	<b>(12,247)</b>	<b>(11,443)</b>
<b>Deficit in the scheme</b>	<b>—</b>	<b>—</b>

The LGPS has reported a surplus of £2,728,000 at 31 August 2023 (£1,117,000 at 31 August 2022). As the LGPS surplus is irrecoverable, recognition of the surplus on the balance sheet has been restricted to £nil by adjusting the actuarial gain.

	2023 £'000	2022 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service costs (net of employer contributions)	154	1,326
Net interest cost	(44)	123
<b>Total amount recognised in the SoFA</b>	<b>110</b>	<b>1,449</b>
<b>Analysis of other recognised gains and losses</b>		
Actuarial gain on defined benefit obligation	528	9,241
Actuarial (loss) on pension scheme assets	(418)	(979)
<b>Net actuarial (loss) gain</b>	<b>110</b>	<b>8,262</b>

## 23 Pension commitments and similar obligations (continued)

### *Movement in deficit in the year*

Changes in the present value of defined benefit obligations were as follows:	2023 £'000	2022 £'000
At 1 September 2022	11,443	18,356
Current service cost	782	1,876
Interest cost	457	319
Employee contributions	212	192
Actuarial (gain)	(528)	(9,241)
Benefits paid	(119)	(59)
<b>At 31 August 2023</b>	<b>12,247</b>	<b>11,443</b>

Changes in the fair value of the Federation's share of scheme assets:	2023 £'000	2022 £'000
At 1 September 2022	11,443	11,543
Interest income	501	—
Actuarial (loss)	(418)	(979)
Expected return on assets	—	196
Employer contributions	628	550
Employee contributions	212	192
Benefits paid	(119)	(59)
<b>At 31 August 2023</b>	<b>12,247</b>	<b>11,443</b>

## 24 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. There are no related party transactions to report on this year.

During the year, the Federation purchased services of £17,500 (2022 - £17, 500) from Progress Teaching, a company in which Peter Hughes has a 25% interest.

The Federation made the purchase at arms' length in accordance with its financial regulations, which Peter Hughes neither participated in, nor influenced.

In entering into the transaction, the academy trust has complied with the requirements of the Academy Trust Handbook. The service has been provided 'at no more than cost' and Progress Teaching has provided a statement of assurance confirming this.

## 25 Post balance sheet events

During the summer, the DfE (East of England Regions) contacted the Federation with a rebrokerage opportunity with the Ortu Federation in Thurrock comprising of two secondary academies and one primary academy.

The boards of both parties have agreed that the Ortu academies should be transferred to Mossbourne and the Regional Director approved the transfer at the meeting of the South-East Advisory Board meeting on 19 October 2023 with a potential transfer date of 1 April 2024.

The rebrokerage signifies a strategic move for both parties working together in the best interest of their respective trusts and their school communities.