

# **The Mossbourne Federation**

## **Consolidated Report and Financial Statements**

31 August 2021

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



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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>	4468267 (England and Wales)
<b>Federation Central Board</b>	Henry Colthurst (Chairman) Toby Campbell-Gray (Chair of Risk & Controls Committee) Andrew Cartwright (Chair of Finance Committee) Robert Feld - Resigned 31/08/2021 (Chair of Mossbourne Victoria Park Academy) Peter Hughes (Chief Executive Officer) Maggie Kalnins Samantha Lloyd (Chair of Mossbourne Riverside Academy) Sylvie Pierce (Vice-Chair & Chair of Mossbourne Community Academy) Jenny Watson (Chair of Mossbourne Parkside Academy) Philip Woodhouse

## Legal and administrative information

### Key management personnel

Peter Hughes (Chief Executive Officer)  
Janella Ajeigbe - Resigned 31/08/2021  
(Principal of Mossbourne Parkside Academy)  
Laura Green - Joined 01/04/2021 (Head of School Mossbourne Parkside Academy)  
Dipo Odunsi (Chief Operating Officer)  
Mohsen Ojja (Deputy Chief Executive Officer)  
Nicholas Rutherford Resigned 31/03/2021  
(Principal of Mossbourne Victoria Park Academy)  
Matthew Toothe - Joined 01/04/2021  
(Principal of Mossbourne Victoria Park Academy)  
Rebecca Warren (Principal of Mossbourne Community Academy)  
Amy Wood (Principal of Mossbourne Riverside Academy)

### Independent Auditor

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

## Legal and administrative information

### 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

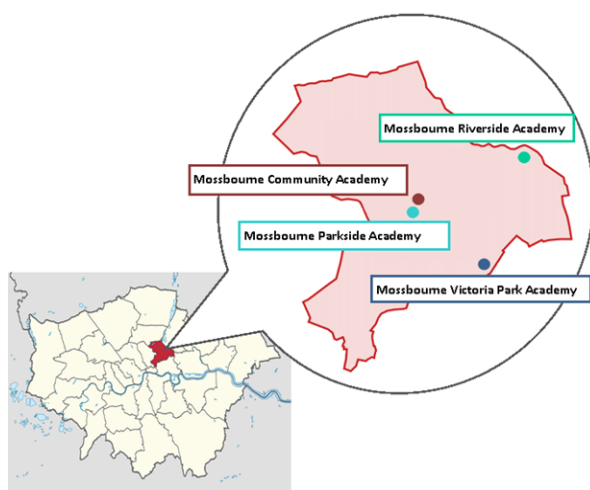
## Directors' report Year to 31 August 2021

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 (formerly MossPAM Limited), together known as the group, for the year ended 31 August 2021. 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 41 to 47 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 3,099.

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



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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

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

The charitable company's memorandum and articles of association are the primary governing documents of the Federation trust. The Directors of Mossbourne Federation are 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.

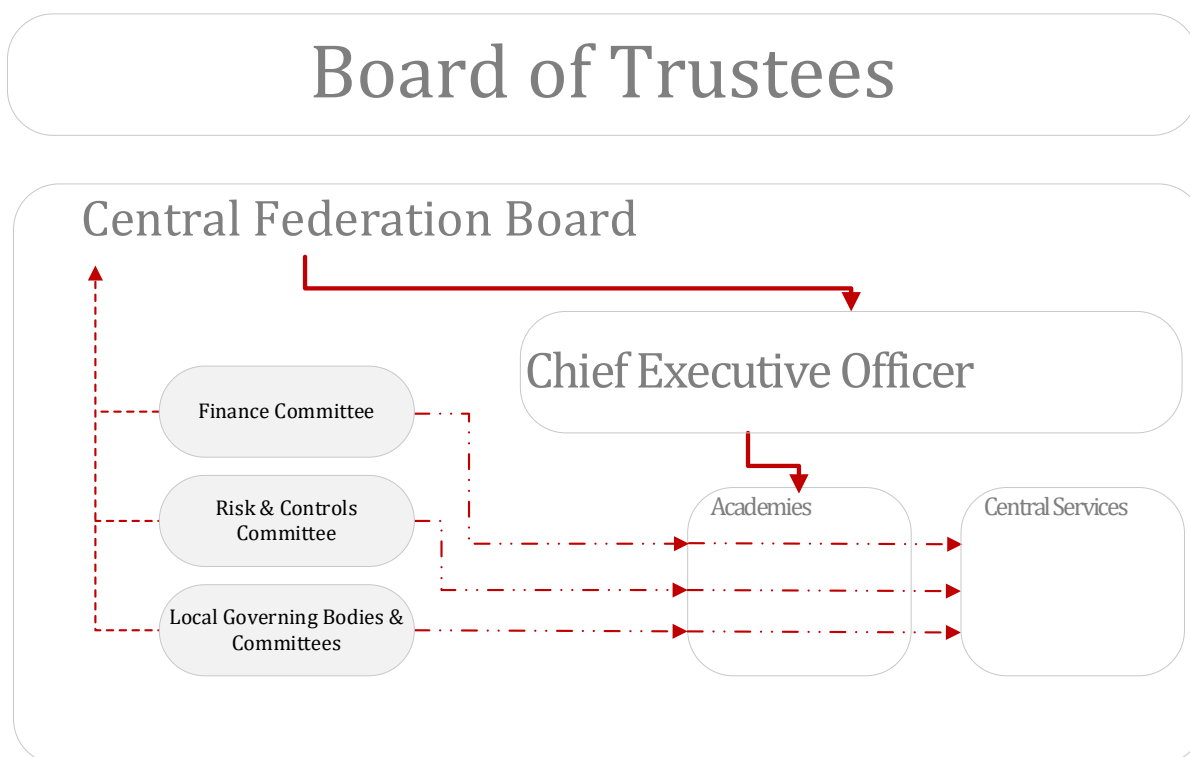
## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Organisational Structure (continued)

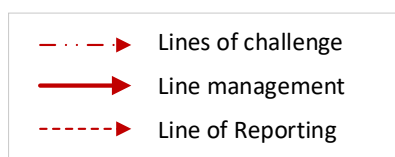
The Mossbourne Federation's governance structure consists of five levels:

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.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

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

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

### Trade union facility time

#### *Relevant union officials*

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
1	1.0

#### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	3
1% - 50%	
51% - 99%	
100%	

#### *Percentage of pay bill spent on facility time*

Total cost of facility time	Nil
Total pay bill	£21,438,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	Nil

### 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.

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

### **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 event took place virtually this year due to restrictions in place as a result of the second lockdown. 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 relationship is based on openness, trust, integrity, objectivity but above all the core values of the Federation which are Excellence, No Excuses and Unity.

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

### **Subsidiary Entity**

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

## **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*

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

### **Objects and aims (continued)**

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.

### **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.

## OBJECTIVES AND ACTIVITIES (continued)

### 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 189 applicants who met the criteria to join the Mossbourne Sixth Form in September 2021.

The GCSE Religious Studies Short Course results, taken by students in Year 10 continues to produce impressive results. The 2021 results were awarded by the Teacher Assessed Grade (TAG) process outlined by Ofqual in March 2021 as a response to Covid-19 disruption to scheduled examination processes. For MCA 32% of grades were grade 9 with 72% grades 7-9 and 86% grades 5-9. The value-added (VA) score was +1.73. These results were similar to the 2019 GCSE results. The results for MVPA were also outstanding with 90% 7-9 and a VA score of +2.06.

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 2021.

#### *Secondary - GCSE*

The 2021 value added calculations have been generated in PAM using the same process used in awarding the 2019 results. National value-added data will not be published for 2019-20.

Progress and attainment at MCA continue to be outstanding. MCA's progress 8 score in 2021 was +1.48 (unvalidated), which means that on average students achieve +1.48 grade above expected values in all subjects they take.

The 2020 attainment 8 score for MCA was 65.2, which means an average grade of 6.52 using the GCSE scale of 1 to 9. The average grade for 2019 (the year of external examinations and validated results) was 6.01. MCA was tracking an increase in attainment and value-added for this year group.

The Basics 5+ score for MCA was calculated to be 75%, an increase from 67% in 2019. The percentage of students achieving EBacc increased to 66% from 60% in 2019.

## STRATEGIC REPORT (continued)

### Achievements and Performance (continued)

#### *Secondary (continued)*

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

Progress and attainment at MVPA continues to be outstanding. Their progress 8 score of +1.26 is higher than the 2019 value of +0.97. The attainment 8 score was 61.3 in 2021. The percentage of students achieving Basics 5+ is 64% and the percentage of students achieving EBacc is 59%. These values are comparable to MCA standards.

##### *Secondary - A Level*

The Mossbourne Sixth Form's outcomes continue to be outstanding. The average grade of students was A-. The TAG process for A-levels produced significantly increased results across England. The increase in MCA results is in line with this national increase. The percentage of grades A/A\* increased from 34.1% in 2019 to 53.0%. The percentage of grades A\*-C increased from 82% in 2019 to 96%. The calculated value-added (unvalidated) for 2021 is +0.18 (Above Average DFE rating) which compares favourably with the validated 2019 VA of -0.01 (Average DFE rating).

12% of students achieved 100% A\* grades and 34% students achieved 100% grades A\*/A. 15 students progressed to study at Oxford or Cambridge. 8 students will be studying Medicine, a testament to the effectiveness of the medical bursary programme. 94% of students progressed to university study with 63% achieving places at Russell Group universities.

#### *Primary*

Due to the coronavirus (COVID-19) pandemic the DFE cancelled all 2020/2021 national curriculum assessments.

##### *The Curriculum*

MRA and MPA's curriculum is planned for pupils using the national curriculum as the basis for all learning. The curriculum is extended and personalised to meet the needs of all learners. Flexibility in the curriculum allows for adaptations to be made that are responsive to the needs of both individuals and groups of pupils as they progress through all of the Federation's academies.

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

- ◆ All pupils have access to a broad, balanced and coherent curriculum that supports learning
- ◆ A strong core ensures that basic skills are embedded at an early stage so that pupils are able to access the wider curriculum
- ◆ An extended curriculum ensures all pupils have access to catch-up, extension and enrichment

## **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 differentiated teaching and resources to ensure that each student is fully extended. Regular and consistent assessment in tracking pupil progress across the curriculum means regular pupil movement between sets.

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

#### **Charitable Achievements**

Although COVID-19 restrictions curtailed the number of charitable events, pupils within the Federation were still able to make contributions to a variety of charities this year including Save the Children, Crisis for Christmas and the Royal British Legion.

#### **Going concern**

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

#### **Promoting the success of the Federation**

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

The Federation's extra-curricular activities such as Rowing and the Cadets continue to be popular with our community. As such, the Federation recruited a Fundraising and Development Manager during the year 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 pages 25 to 26) 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.

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 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.



## FINANCIAL REVIEW (continued)

### Financial report for the year (continued)

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 2021, total expenditure of £29,245,000 (2020 - £26,354,000), 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 £318,000 (2020 - £1,738,000).

### *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 by Academies to governors as well as independent access to records.
- c) **Key staff recruitment and retention:** Success of the Federation depends upon excellent staff able to provide an environment best suited for pupils to learn. Recruitment must reflect the need to attract those suitably qualified to maintain and improve established standards. The human resource team consistently adopt rigorous employee vetting procedures, references and checks. Each Academy invests significantly in a performance appraisal system aiming to recognise and reward high performance. Regular one on one interviews and CPD programmes are put in place to promote job satisfaction and staff retention.

## FINANCIAL REVIEW (continued)

### Financial report for the year (continued)

#### *Principal risks and uncertainties (continued)*

- d) **COVID-19:** The ongoing coronavirus pandemic is likely to have a significant adverse effect on pupils' educational outcomes. To mitigate against this, academies within the Federation have taken advantage of the School-Led Tutoring Programme championed by the government to put in place several catch-up initiatives which are aimed at ensuring that academic performance is maintained. Since the start of the coronavirus pandemic, the Federation has received a total of 510 computer devices from the DfE for pupils to support remote learning. Also, the Federation received a total of £217,000 as catch-up grant which was used to create a remote learning platform, provide catch-up classes for pupils and procure over 400 additional computer devices. However, in addition to the challenge of having sufficient staff onsite to teach pupils, there is also the financial cost of keeping our sites COVID-19 secure. This year, cleaning related costs increased by £95,000 which was absorbed by the Federation.
- e) **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.

### Financial position and reserves policy

#### *Financial position*

At 31 August 2021 the net book value of fixed assets was £70,734,000 (2020 - £72,357,000) 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 2021 of £71,675,000 (2020 - £75,737,000) comprising £69,075,000 (2020 - £73,270,000) of restricted funds including a pension reserve deficit of £6,813,000 (2020 - £4,056,000) and unrestricted funds of £2,600,000 (2020 - £2,467,000).

#### *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.

## FINANCIAL REVIEW (continued)

### Financial position and reserves policy (continued)

#### *Reserves policy (continued)*

As at 31 August 2021, the Federation's revenue reserves comprised £2,600,000 (2020 - £2,467,000) of unrestricted funds and £5,154,000 (2020 - £4,970,000) 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 to not only ensure the achievement of the investment objectives, but that the immediate financial needs and the future spending commitments of the Federation are protected.

## FUNDRAISING

The Federation does not engage the services of professional fundraisers. However, it employs a Partnership Manager 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	2021	2020
Energy consumption used to calculate emissions (kWh)	3,873,312	3,284,426
Energy consumption break down (kWh) (optional)	2,428,695	1,912,795
<ul style="list-style-type: none"> <li>gas,</li> <li>electricity,</li> <li>transport fuel</li> </ul>	1,444,617	1,371,632
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	445	1,352
Owned transport - mini-buses	N/A	N/A
<u>Total scope 1</u>	445	1,352
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	307	970
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	N/A	N/A
Total gross emissions in metric tonnes CO2e	756	2,322
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.52	0.80
<b>Quantification and Reporting Methodology</b> We have followed the 2019 HM Government Environmental Reporting Guidelines.		
<b>Intensity measurement</b> The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.		
<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.		

### **PLANS FOR FUTURE PERIODS**

There is no plan at present to expand the number of academies within the trust. The Federation will continue to strive to improve the levels of performance for its pupils through the aims listed below.

The Mossbourne Federation aims to:

- ◆ To establish a cohesive federation of exceptional schools that work cooperatively to achieve the best outcomes for every child
  - a. To be renowned as an employer of choice for all staff
- ◆ To ensure every student receives a broad and balanced education, delivered in an environment that enhances opportunity to:
  - a. Ensure all students upon exit, have developed their academic abilities and extracurricular talents such that they may flourish in the next stage of their life
  - b. Sustain and enhance the reputation of Mossbourne alumni for being excellent employees
  - c. Ensure all Mossbourne staff operate with maximum effect to support outcomes for children
- ◆ To establish the Central Services function as a proficient, customer focused and cost effective service
- ◆ To generate at least 10% of the Federation's total income from non-government sources to allow greater flexibility in meeting the needs of students:
  - a. To develop the capacity and expertise in order to provide short-term (two year) support to schools outside of the Federation for teaching, learning and leadership
  - b. To develop the capacity in order to provide an external Central Service function for partner schools.
- ◆ To improve space utilisation at Mossbourne Community Academy and Mossbourne Victoria Park Academy through the creation of a buildings improvement programme.
- ◆ As part of the buildings improvement programme, create additional recreational spaces for post 16 provision.

**PLANS FOR FUTURE PERIODS (continued)**

During the year, part of the activities of the Federation's subsidiary company were transferred out of the group. The activities transferred related to the PAM software, which was developed by the Federation. In addition, the Intellectual property rights relating to the PAM software were transferred from the Federation to Mossbourne Foundation Limited. The Federation is a member of the Foundation.

**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 8.12.2021 and signed on the board's behalf by:



Henry Colthurst  
8.12.2021  
Director

## Governance statement Year to 31 August 2021

### 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	2	2
Andrew Cartwright	3	3
Henry Colthurst (Chair)	2	3
Robert Feld	2	3
Maggie Kalnins	3	3
Samantha Lloyd	3	3
Sylvie Pierce	3	3
Jenny Watson	2	3
Philip Woodhouse	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 Trusts' 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 2021

### 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 (joined June 2021)	1	1
Toby Campbell-Gray (resigned March 2021)	2	2
Andrew Cartwright (Chair)	3	3
Robert Feld	2	3
Samantha Lloyd	2	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 auditor's reports and make recommendations to the Central Federation Body in response to those findings.

The meeting scheduled for the autumn term was cancelled due to the coronavirus pandemic. However, risks relating to the pandemic are continuously being reviewed by the Central Federation Board.

Attendance at meetings in the year was as follows:

Risk & Controls	Number of meetings attended	Out of a possible
Martin Buck	2	2
Toby Campbell-Gray (Chair) - Joined March 2021	2	2
Rex Regan	2	2
Jenny Watson	2	2
Philip Woodhouse	0	2

### Governance reviews

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



### **Review of value for money**

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

The Accounting Officer considers how the Federation's use of its resources has provided good value for money during the academic year, and reports to the board of Directors where value for money can be improved, including the use on benchmarking data where available. As the Federation did during the first lockdown, it continued to adopt the guidance provided in PPN04/20 with its suppliers during the second lockdown despite the limited service provided. The Federation continued to pay its cleaning, catering, attendance, agency contractors and peripatetic music teachers during the second lockdown. 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 (95.4%) and MVPA (95.8%).

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

#### **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)

### **2. Governance and oversight of academy finance (continued)**

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

### **3. Maximising income generation and cost optimisation**

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

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

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

## **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Federation's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Federation for the year ended 31 August 2021 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 2021 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;
- ◆ regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The Central Federation Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed a firm of external auditors to perform assurance work on the internal controls as permitted by the 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 Moore Kingston Smith LLP.

### **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.

## Governance statement Year to 31 August 2021

### Review of effectiveness (continued)

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

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



Peter Hughes  
(Chief Executive Officer and Accounting Officer)

Approved on: 8.12.2021

## Statement on regularity, propriety and compliance Year to 31 August 2021

As Accounting Officer of the Mossbourne Federation, I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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 2021.

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.



Peter Hughes  
Accounting Officer

Date: 8.12.2021

## Statement of Directors' responsibilities Year to 31 August 2021

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 2020 to 2021;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Federation will continue in operation.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Federation's transactions and disclose with reasonable accuracy at any time the financial position of the Federation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Federation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board and signed on its behalf by:



Henry Colthurst - Chairman

Date: 8.12.2021

## **Independent auditor's report on the consolidated financial statements to the members of The Mossbourne Federation 31 August 2021**

### **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 2021 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 2020 to 2021.

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 2021, 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 2020 to 2021.

### **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.

**Independent auditor's report on the consolidated financial statements to the members of  
The Mossbourne Federation 31 August 2021**

**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.

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 is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Directors' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.



## **Independent auditor's report on the consolidated financial statements to the members of The Mossbourne Federation 31 August 2021**

### **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.

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 (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

**Independent auditor's report on the consolidated financial statements to the members of  
The Mossbourne Federation 31 August 2021**

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ 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 2020 to 2021, the Academies Financial Handbook 2020, 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 2021**

**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 2021**

**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*

15.12.2021

Hugh Swainson (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

## **Independent reporting accountant's assurance report on regularity of The Mossbourne Federation and the Education and Skills Funding Agency 31 August 2021**

In accordance with the terms of our engagement letter dated 19 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of The Mossbourne Federation funding agreement with the Secretary of State for Education dated 6 April 2004 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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.

**Independent reporting accountant's assurance report on regularity of The Mossbourne Federation and the Education and Skills Funding Agency 31 August 2021**

**Approach (continued)**

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

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Buzzacott LLP*

15.12.2021

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

**Consolidated Statement of financial activities** Year to 31 August 2021  
(including Income and Expenditure Account)

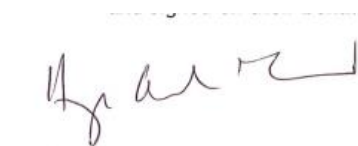
**DRAFT**

	Notes	Un- restricted general fund £'000	Restricted funds		Total funds 2021 £'000	Total funds 2020 £'000
			General funds £'000	Fixed assets £'000		
<b>Income from:</b>						
Donations and capital grants	2	—	59	52	111	176
<i>Charitable activities:</i>						
. Funding for the Federation's educational operations	5	2	26,112	—	26,114	24,451
Other trading activities	3	749	—	—	749	798
Investments	4	28	—	—	28	15
<b>Total income</b>		<b>779</b>	<b>26,171</b>	<b>52</b>	<b>27,002</b>	<b>25,440</b>
<b>Expenditure on:</b>						
<i>Raising funds</i>	6	168	—	—	168	358
<i>Charitable activities</i>						
. Federation's educational operations	7	478	26,328	2,271	29,077	25,996
<b>Total expenditure</b>	6	<b>646</b>	<b>26,328</b>	<b>2,271</b>	<b>29,245</b>	<b>26,354</b>
<b>Net income (expenditure)</b>		<b>133</b>	<b>(157)</b>	<b>(2,219)</b>	<b>(2,243)</b>	<b>(914)</b>
Transfers between funds	19	—	(597)	597	—	—
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pension schemes	24	—	(1,819)	—	(1,819)	914
<b>Net movement in funds</b>		<b>133</b>	<b>(2,573)</b>	<b>(1,622)</b>	<b>(4,062)</b>	<b>—</b>
<b>Reconciliation of funds</b>						
Fund balances brought forward at 1 September 2020		2,467	914	72,356	75,737	75,737
<b>Fund balances carried forward at 31 August 2021</b>		<b>2,600</b>	<b>(1,659)</b>	<b>70,734</b>	<b>71,675</b>	<b>75,737</b>

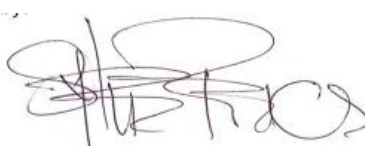
## Balance sheets at 31 August 2021

	Notes	Federation 2021 £'000	Academies 2021 £'000	Federation 2020 £'000	Academies 2020 £'000
<b>Fixed assets</b>					
Intangible assets	14	6	6	29	29
Tangible assets	15	70,728	70,727	72,328	72,327
		<u>70,734</u>	<u>70,733</u>	<u>72,357</u>	<u>72,356</u>
<b>Current assets</b>					
Debtors	16	1,318	1,350	1,034	1,034
Cash at bank and in hand		8,742	8,611	8,537	8,446
		<u>10,060</u>	<u>9,961</u>	<u>9,571</u>	<u>9,480</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	(2,306)	(2,298)	(2,040)	(1,900)
<b>Net current assets</b>		<u>7,754</u>	<u>7,663</u>	<u>7,531</u>	<u>7,580</u>
<b>Total assets less current liabilities</b>		<b>78,488</b>	<b>78,396</b>	<b>79,888</b>	<b>79,936</b>
Provisions	18	—	—	(95)	(95)
<b>Net assets excluding pension scheme liability</b>		<b>78,488</b>	<b>78,396</b>	<b>79,793</b>	<b>79,841</b>
Defined benefit pension scheme liability	24	(6,813)	(6,813)	(4,056)	(4,056)
<b>Total net assets</b>		<u><b>71,675</b></u>	<u><b>71,583</b></u>	<u><b>75,737</b></u>	<u><b>75,785</b></u>
<b>Restricted funds</b>					
. Fixed asset fund	19	70,734	70,733	72,356	72,356
. Restricted income fund	19	5,154	5,154	4,970	4,970
. Pension reserve	19	(6,813)	(6,813)	(4,056)	(4,056)
<b>Total restricted funds</b>		<u><b>69,075</b></u>	<u><b>69,074</b></u>	<u><b>73,270</b></u>	<u><b>73,270</b></u>
<b>Unrestricted general funds</b>					
. General fund	19	2,509	2,509	2,515	2,515
. Funds retained with subsidiary	19	91	—	(48)	—
<b>Total funds</b>		<u><b>71,675</b></u>	<u><b>71,583</b></u>	<u><b>75,737</b></u>	<u><b>75,785</b></u>

The financial statements on pages 37 to 69 were approved by the Directors on 8.12.2021 and signed on their behalf by:



Henry Colthurst - Director  
Company number 4468267



Sylvie Pierce -Director



## Consolidated Statement of cash flows Year to 31 August 2021

		2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	A	774	1,425
<b>Cash used in investing activities</b>	B	(569)	(284)
<b>Change in cash and cash equivalents in the year</b>	C	205	1,141
<b>Cash and cash equivalents at 1 September 2020</b>		8,537	7,396
<b>Cash and cash equivalents at 31 August 2021</b>	D	8,742	8,537

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

	2021 £'000	2020 £'000
<b>Net (expenditure) income for the year (as per the statement of financial activities)</b>	(2,242)	(914)
<b>Adjusted for:</b>		
Amortisation charge (note 14)	23	48
Depreciation charge (note 15)	2,248	2,206
(Gain) loss on disposal of fixed assets	1	—
Capital grants from DfE and other capital income	(52)	(136)
Interest receivable (note 4)	(28)	(15)
Defined benefit pension scheme cost less contributions payable (note 24)	861	749
Defined benefit pension scheme finance cost (note 24)	77	83
Increase in debtors	(285)	(376)
Increase (decrease) in creditors	266	(159)
Decrease in provisions	(95)	(61)
<b>Net cash provided by operating activities</b>	774	1,425

### B Cash flows from investing activities

	2021 £'000	2020 £'000
Dividends, interest and rents from investments	28	15
Purchase of tangible fixed assets	(649)	(415)
Purchase of intangible fixed assets	—	(20)
Capital grants from DfE/ESFA	52	136
<b>Net cash used in investing activities</b>	(569)	(284)

### C Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	8,742	8,537
<b>Total cash and cash equivalents</b>	8,742	8,537

## Consolidated Statement of cash flows Year to 31 August 2021

### D Analysis of changes in net funds

Group	At 1 September 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
Cash	8,537	205	8,742

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 2021

### 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 2020 to 2021 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 SORP 2015.

### Going concern

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

### **Income**

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

### **Grants**

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

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

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

### **Donations**

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

### **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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.

**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 |

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.

*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 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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.

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



## Principal accounting policies Year to 31 August 2021

### **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 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 2021 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 2021.

## 2 Donations and capital grants

	Unrestricted fund £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000	2020 Total funds £'000
Capital grants	—	—	52	52	136
Other donations	—	59	—	59	40
	—	59	52	111	176

	Unrestricted fund £'000	Restricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000
Capital grants	—	—	136	136
Other donations	—	40	—	40
	—	40	136	176

## 3 Other trading activities

	Unrestricted fund £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Hire of facilities	13	—	13	22
Catering income	275	—	275	303
Trading subsidiary income	62	—	62	166
Miscellaneous income	399	—	399	307
	749	—	749	798

## Notes to the financial statements Year to 31 August 2021

### 3 Other trading activities (continued)

	Unrestricted fund £'000	Restricted funds £'000	2020 Total funds £'000
<i>Hire of facilities</i>	22	—	22
<i>Catering income</i>	303	—	303
<i>Trading subsidiary income</i>	166	—	166
<i>Miscellaneous income</i>	307	—	307
	<b>798</b>	<b>—</b>	<b>798</b>

### 4 Investment income

	Unrestricted fund £'000	Restricted funds £'000	2021 Total funds £'000	2020 Total funds £'000
Interest receivable	28	—	28	15
	<b>28</b>	<b>—</b>	<b>28</b>	<b>15</b>

	Unrestricted fund £'000	Restricted funds £'000	2020 Total funds £'000
<i>Interest receivable</i>	15	—	15
	<b>15</b>	<b>—</b>	<b>15</b>

## 5 Funding for the Federation's educational operations

	Unrestricted £'000	Restricted £'000	2021 Total funds £'000	* 2020 Total funds £'000
<b>DfE/ESFA grants</b>				
- General Annual Grant (GAG) (note 1)	—	21,861	21,861	20,469
- Start Up Grants	—	50	50	50
- Pupil Premium	—	1,123	1,123	—
- Others	—	1,404	1,404	—
Other DfE Group grants				
- Other DfE/ESFA grants	—	—	—	2,251
	—	24,438	24,438	22,770
<b>Other Government grants</b>				
- Local authority grants	—	1,389	1,389	1,592
	—	1,389	1,389	1,592
Other income from the federation's educational operations	2	—	2	89
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	—	217	217	—
Other DfE/ESFA COVID-19 funding	—	68	68	—
	—	285	285	—
<b>2021 total funds</b>	<b>2</b>	<b>26,112</b>	<b>26,114</b>	<b>24,451</b>

The trust received £217,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £217,000, with all funds spent at 31 August 2021.

\*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the federations's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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

	Unrestricted £'000	Restricted £'000	2020 Total funds £'000
<i>DfE/ESFA grants</i>			
- General Annual Grant (GAG) (note 1)	—	20,469	20,469
- Start Up Grants	—	50	50
- Other DfE/ESFA grants	—	2,251	2,251
	—	22,770	22,770
<i>Other Government grants</i>			
- Local authority grants	—	1,592	1,592
	—	1,592	1,592
<i>Other income from the federation's educational operations</i>	89	—	89
	89	24,362	24,451

## 6 Expenditure

	Staff costs £'000	Non-pay expenditure		2021 Total funds £'000	2020 Total funds £'000
		Premises £'000	Other costs £'000		
<i>Expenditure on raising funds</i>					
- Direct costs	89	—	11	100	211
- Allocated support costs	34	21	13	68	147
	123	21	24	168	358
<i>Federation's educational operations</i>					
- Direct costs	14,993	2,049	1,288	18,330	16,514
- Allocated support costs	6,322	1,911	2,514	10,747	9,482
	21,438	3,981	3,826	29,245	26,354

## Notes to the financial statements Year to 31 August 2021

### 6 Expenditure (continued)

	Staff costs £'000	Non-pay expenditure		2020 Total funds £'000
		Premises £'000	Other costs £'000	
<i>Expenditure on raising funds</i>				
- Direct costs	178	—	33	211
- Allocated support costs	73	48	26	147
	251	48	59	358
<i>Federation's educational operations</i>				
- Direct costs	13,515	2,037	962	16,514
- Allocated support costs	5,732	1,748	2,002	9,482
	19,498	3,833	3,023	26,354

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

	2021 £'000	2020 £'000
Net (expenditure) income for the year includes:		
Operating lease rentals	90	81
Loss on disposal of fixed assets	1	—
Depreciation	2,248	2,206
Amortisation	23	48
Fees payable to financial statements auditor:		
.Audit	26	20
.Other services	7	13

### 7 Charitable activities - Federation's educational operations

	2021 Total funds £'000	2020 Total funds £'000
Direct costs	18,330	16,514
Support costs	10,747	9,482
	29,077	25,996

	2021 Total funds £'000	2020 Total funds £'000
<b>Analysis of support costs</b>		
Support staff costs	6,322	5,732
Depreciation	222	217
Technology costs	750	301
Premises costs	1,689	1,531
Legal costs	22	26
Other support costs	1,676	1,606
Governance costs	66	69
<b>Total support costs</b>	<b>10,747</b>	<b>9,482</b>

## 8 Comparative information

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

## 9 Staff

### a) Staff costs

Staff costs during the period were:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	15,348	14,069
Social security costs	1,596	1,464
Pension costs	3,853	3,443
Apprenticeship levy	62	55
	<b>20,859</b>	<b>19,031</b>
Supply staff costs	569	448
Staff restructuring costs	10	19
	<b>21,438</b>	<b>19,498</b>

Staff restructuring comprises:

	2021 £'000	2020 £'000
Redundancy payments	—	—
Severance payments	10	19
	<b>10</b>	<b>19</b>

### b) Non-contractual staff severance payments

There is one non-contractual severance payment included in staff restructuring costs (2020 - 3). Individually, the payment was £10,000 (2020 - individually £7,000, £4,000 and £8,000 totalling £19,000).

### c) Staff numbers

The average number of persons (including senior management team) employed by the Federation during the year ended 31 August 2021 was as follows:

	Full Time Equivalent		Average	
	2021 Number	2020 Number	2021 Number	2020 Number
<b>Charitable activities</b>				
- Teachers and educational support	326	302	354	332
- Administration and support	64	60	79	76
- Management	9	7	9	7
	<b>399</b>	<b>369</b>	<b>442</b>	<b>415</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 2021 expressed as full-time equivalents was as follows:

	2021 Number	2020 Number
£60,001 - £70,000	20	10
£70,001 - £80,000	8	8
£80,001 - £90,000	3	3
£90,001 - £100,000	2	—
£100,001 - £110,000	—	2
£110,001 - £120,000	1	—
£120,001 - £130,000	1	—
£180,001 - £190,000	—	1
	<b>35</b>	<b>24</b>

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 2021, pension contributions for these staff amounted to £570,900 (2020 - £427,204).

### *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 £1,078,000 (2020 - £970,000).

## 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 25.

## 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.

## 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 (formerly MossPAM Limited) which have been included in the financial statements.

	2021 £'000	2020 £'000
Turnover	204	166
Cost of sales	—	—
<b>Gross profit</b>	<b>204</b>	<b>166</b>
Administrative expenses	(63)	(210)
<b>Profit (loss) on ordinary activities before taxation</b>	<b>141</b>	<b>(44)</b>
Tax	—	—
<b>Profit (loss) on ordinary activities after taxation</b>	<b>141</b>	<b>(44)</b>

The assets and liabilities of the subsidiary were:

	2021 £'000	2020 £'000
Non-current assets	—	1
Current assets	141	148
Creditors: amounts falling due within one year	(50)	(197)
<b>Total assets less current liabilities</b>	<b>91</b>	<b>(48)</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:

	2021 £'000	2020 £'000
Mossbourne Victoria Park Academy	602	523
Mossbourne Community Academy	1,022	866
Mossbourne Riverside Academy	239	168
Mossbourne Parkside Academy	257	229
Mossbourne Trading	3	12
	<b>2,123</b>	<b>1,798</b>

## Notes to the financial statements Year to 31 August 2021

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

	Computer software £'000
<b>Cost</b>	
At 1 September 2020	280
Additions	—
At 31 August 2021	<b>280</b>
<b>Amortisation</b>	
At 1 September 2020	251
Charge in year	23
At 31 August 2021	<b>274</b>
<b>Net book values</b>	
At 31 August 2021	<b>6</b>
At 31 August 2020	<b>29</b>

### 15 Tangible fixed assets

Federation	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
<b>Cost / valuation</b>						
At 1 September 2020	65,891	20,938	4,461	2,777	26	<b>94,093</b>
Additions	—	—	347	302	—	<b>649</b>
Disposals	—	—	—	(1)	—	<b>(1)</b>
At 31 August 2021	<b>65,891</b>	<b>20,938</b>	<b>4,808</b>	<b>3,078</b>	<b>26</b>	<b>94,741</b>
<b>Depreciation</b>						
At 1 September 2020	14,160	1,861	3,134	2,585	25	<b>21,765</b>
Charge for year	1,318	415	284	230	1	<b>2,248</b>
At 31 August 2021	<b>15,478</b>	<b>2,276</b>	<b>3,418</b>	<b>2,815</b>	<b>26</b>	<b>24,013</b>
<b>Net book values</b>						
At 31 August 2021	<b>50,413</b>	<b>18,662</b>	<b>1,390</b>	<b>263</b>	<b>—</b>	<b>70,728</b>
At 31 August 2020	<b>51,731</b>	<b>19,077</b>	<b>1,327</b>	<b>192</b>	<b>1</b>	<b>72,328</b>

## 15 Tangible fixed assets (continued)

Academies	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
<b>Cost / valuation</b>						
At 1 September 2020	65,891	20,938	4,458	2,772	26	94,085
Additions	—	—	347	302	—	649
At 31 August 2021	65,891	20,938	4,805	3,074	26	94,734
<b>Depreciation</b>						
At 1 September 2020	14,160	1,861	3,132	2,580	25	21,758
Charge for year	1,318	415	284	231	1	2,249
At 31 August 2021	15,478	2,276	3,416	2,811	26	24,007
<b>Net book values</b>						
At 31 August 2021	50,413	18,662	1,389	263	—	70,727
At 31 August 2020	51,731	19,077	1,326	192	1	72,327

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 2021 £'000	Academies 2021 £'000	Federation 2020 £'000	Academies 2020 £'000
Trade debtors	225	207	79	21
VAT recoverable	346	348	249	267
Other debtors	4	14	1	1
Prepayments and accrued income	743	741	705	705
Due from trading subsidiary	—	40	—	40
	1,318	1,350	1,034	1,034

## 17 Creditors: amounts falling due within one year

	Federation 2021 £'000	Academies 2021 £'000	Federation 2020 £'000	Academies 2020 £'000
Trade creditors	1,194	1,192	1,066	1,064
Other taxation and social security	58	58	58	58
Other creditors	157	157	149	154
Accruals and deferred income	897	891	767	624
	2,306	2,298	2,040	1,900

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

Deferred income	Federation 2021 £'000	Academies 2021 £'000	Federation 2020 £'000	Academies 2020 £'000
Deferred income at 1 September 2020	378	245	420	383
Released during the year	(378)	(245)	(420)	(383)
Resources deferred in the year	527	394	378	245
Deferred income at 31 August 2021	527	394	378	245

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

**18 Provisions**

Federation and Academies	2021 £'000	2020 £'000
Provisions	—	95
	—	95

## 19 Funds

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

	At 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2021 £'000
<b>Restricted general funds</b>					
. General Annual Grant (GAG)	2,690	21,861	(21,327)	(597)	2,627
. Start Up Grant	375	50	—	—	425
. Pupil premium	—	1,123	(1,123)	—	—
Catch-up premium	—	217	(217)	—	—
Other DfE/ESFA COVID-19 funding	—	68	(68)	—	—
. Other grants	1,784	2,793	(2,640)	—	1,937
. Donations	121	59	(15)	—	165
. Pension reserve	(4,056)	—	(938)	(1,819)	(6,813)
	914	26,171	(26,328)	(2,416)	(1,659)
<b>Restricted fixed asset funds</b>					
. Private sector capital sponsorship & Hackney Council	50,573	—	(1,452)	—	49,121
. DfE/ESFA capital grants	18,705	52	(144)	—	18,613
. Capital expenditure from GAG	1,598	—	(634)	597	1,561
. Start up grant	10	—	(9)	—	1
. Implementation grant	19	—	(1)	—	18
. Other government grants	237	—	(26)	—	211
. Private sector capital sponsorship	1,214	—	(5)	—	1,209
	72,356	52	(2,271)	597	70,734
<b>Total restricted funds</b>	73,270	26,223	(28,599)	(1,819)	69,075
<b>Unrestricted funds</b>					
General funds	2,515	576	(582)	—	2,509
Mossbourne Trading	(48)	203	(64)	—	91
<b>Total unrestricted funds</b>	2,467	779	(646)	—	2,600
<b>Total funds</b>	75,737	27,002	(29,245)	(1,819)	71,675

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 2021. Note 1 discloses whether the limit was exceeded.
- (ii) Pupil Premium Grant is to support disadvantaged pupils and close the attainment gap between them and their peers.
- (iii) Other funds relate to monies received for specific purposes.

## 19 Funds (continued)

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

	Total 2021 £'000	Total 2020 £'000
Fund balances at 31 August:		
Mossbourne Community Academy	4,028	3,961
Mossbourne Victoria Park	1,842	1,706
Mossbourne Parkside Academy	591	702
Mossbourne Riverside Academy	1,153	1,066
Central Trust	49	50
<b>Total before fixed assets and pension reserve</b>	<b>7,663</b>	<b>7,485</b>
Restricted fixed asset fund	70,734	72,356
Pension reserve	(6,813)	(4,056)
	<b>63,921</b>	<b>75,785</b>
Mossbourne Trading Ltd	91	(49)
<b>Total</b>	<b>71,675</b>	<b>75,736</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	2021 Total £'000
Mossbourne Community Academy	7,321	1,664	559	1,832	11,376
Mossbourne Victoria Park Academy	4,716	1,108	296	929	7,049
Mossbourne Parkside Academy	1,540	879	154	422	2,995
Mossbourne Riverside Academy	1,180	524	170	525	2,399
Mossbourne Trading	—	46	1	16	63
Central	285	2,174	115	516	3,090
<b>Mossbourne Federation</b>	<b>15,042</b>	<b>6,395</b>	<b>1,295</b>	<b>4,240</b>	<b>26,972</b>

## Notes to the financial statements Year to 31 August 2021

### 19 Funds (continued)

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

### Comparative information

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

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



## 20 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds		Total 2021 £'000
		General £'000	Fixed asset £'000	
<b>Federation</b>				
<b>Fund balances at 31 August 2021 are represented by:</b>				
Intangible fixed assets	—	—	6	6
Tangible fixed assets	—	—	70,728	70,728
Current assets	2,600	7,460	—	10,060
Current liabilities	—	(2,306)	—	(2,306)
Non-current liabilities	—	—	—	—
Pension scheme liability	—	(6,813)	—	(6,813)
<b>Total net assets</b>	<b>2,600</b>	<b>(1,659)</b>	<b>70,734</b>	<b>71,675</b>

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

	Unrestricted funds £'000	Restricted funds		Total 2021 £'000
		General £'000	Fixed asset £'000	
<b>Academies</b>				
<b>Fund balances at 31 August 2021 are represented by:</b>				
Intangible fixed assets	—	—	6	6
Tangible fixed assets	—	—	70,727	70,727
Current assets	2,509	7,452	—	9,961
Current liabilities	—	(2,298)	—	(2,298)
Non-current liabilities	—	—	—	—
Pension scheme liability	—	(6,813)	—	(6,813)
<b>Total net assets</b>	<b>2,509</b>	<b>(1,659)</b>	<b>70,733</b>	<b>71,583</b>

## 20 Analysis of net assets between funds (continued)

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

## 21 Capital commitments

	<i>2021</i> <i>£'000</i>	<i>2020</i> <i>£'000</i>
Authorised and contracted for	—	—

## 22 Commitments under operating leases

At 31 August 2021, the total of the Federation's future minimum lease payments under non-cancellable operating leases, in respect of equipment, was as follows:

	<i>2021</i> <i>£'000</i>	<i>2020</i> <i>£'000</i>
Amounts due within one year	53	29
Amounts due between two and five years inclusive	73	71
	<u>126</u>	<u>100</u>

## 23 Members' liability

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

## 24 Pension commitments and similar obligations

The 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 2019.

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

### *Teachers' Pension Scheme*

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

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

### *Valuation of the Teachers' Pension Scheme*

- ◆ The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:
- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and

## 24 Pension commitments and similar obligations (continued)

### *Valuation of the Teachers' Pension Scheme (continued)*

- ♦ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £2,415,000 (2020 - £2,163,000).

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.

### *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 2021 was £765,000 (2020 - £700,000), of which employer's contributions totalled £572,000 (2020 - £525,000) and employees' contributions totalled £193,000 (2020 - £175,000). The agreed contribution rates for future years were:

Full time equivalent salary	Contribution rate per year
£0 - £14,600	5.5%
£14,601 - £22,900	5.8%
£22,901 - £37,200	6.5%
£37,201 - £47,100	6.8%
£47,701 - £65,900	8.5%
£65,901 - £93,400	9.9%
£93,401 - £110,000	10.5%
£110,001 - £165,000	11.4%
£165,001 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.

## 24 Pension commitments and similar obligations (continued)

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

Principal Actuarial Assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.2%	2.5%
Rate of increase for pensions in payment / inflation	2.9%	2.2%
Discount rate for scheme liabilities	1.65%	1.7%
Inflation assumption (CPI)	2.9%	2.2%

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 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.3	21.2
Females	23.8	23.4
<i>Retiring in 20 years</i>		
Males	22.8	22.4
Females	25.8	25.1

	At 31 August 2021 £'000	At 31 August 2020 £'000
Sensitivity analysis		
Discount rate -0.5%	130	483
Salary rate +0.5%	28	30
Pension rate +0.5%	123	454

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

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	7,965	6,074
Bonds	2,424	1,995
Property	923	816
Cash	231	181
<b>Total market value of assets</b>	<b>11,543</b>	<b>9,066</b>
<b>Present value of scheme liabilities</b>	<b>(18,356)</b>	<b>(13,122)</b>
<b>Deficit in the scheme</b>	<b>(6,813)</b>	<b>(4,056)</b>

## 24 Pension commitments and similar obligations (continued)

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

Amounts recognised in statement of financial activities	2021 £'000	2020 £'000
Current service costs (net of employer contributions)	861	749
Net interest cost	77	83
<b>Total amount recognised in the SoFA</b>	<b>938</b>	<b>832</b>
<b>Analysis of other recognised gains and losses</b>		
Actuarial (loss) gain on defined benefit obligation	(3,424)	1,083
Actuarial gain (loss) on pension scheme assets	1,605	(169)
<b>Net actuarial (loss) gain</b>	<b>(1,819)</b>	<b>914</b>

### *Movement in deficit in the year*

Changes in the present value of defined benefit obligations were as follows:	2021 £'000	2020 £'000
At 1 September 2020	13,122	12,576
Current service cost	1,433	1,274
Interest cost	237	247
Employee contributions	193	175
Actuarial loss (gain)	3,424	(1,083)
Benefits paid	(53)	(67)
<b>At 31 August 2021</b>	<b>18,356</b>	<b>13,122</b>

Changes in the fair value of the Federation's share of scheme assets:	2021 £'000	2020 £'000
At 1 September 2020	9,066	8,438
Actuarial gain (loss)	1,605	(169)
Expected return on assets	160	164
Employer contributions	572	525
Employee contributions	193	175
Benefits paid	(53)	(67)
<b>At 31 August 2021</b>	<b>11,543</b>	<b>9,066</b>

## 25 Related party transactions

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

There was one related party transaction reported to the ESFA during the year. The PAM trade ceased in Mossbourne Trading (formerly MossPAM) Limited and was taken over by Progress Teaching Limited on 30 November 2020. Peter Hughes is a director and shareholder of Progress Teaching Limited. In order to avoid a conflict of interest during negotiations between Mossbourne Trading and Progress Teaching, Peter Hughes took no part in any of the decision making relating to either the Intellectual property rights or the business transfer. The current year Mossbourne Federation financial statements include a surplus on disposal of PAM of £129,000.

The intellectual property related to the PAM software was transferred from Mossbourne Federation to Mossbourne Foundation who have licensed the PAM software to Progress Teaching Limited. Lady Joy Bourne is a trustee of the Mossbourne Foundation and a member of the Federation. Mossbourne Foundation has charitable objects and Mossbourne Federation is a member of the company. The intellectual property was internally generated and therefore did not have a value assigned within the Mossbourne Federation financial statements and was transferred at £nil value.

The transfer of PAM was done to allow the Federation to focus solely on its main object of providing high quality education to its pupils.