

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

Registered Number 07796947 (England and Wales)

MOWBRAY EDUCATION TRUST LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

Members and trustees

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

Trustees

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

Company Secretary

D H Reed

Senior Management Team:

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

Registered Office

Scaford Road
Melton Mowbray
Leicestershire
LE13 1LH

Company Registration Number

07796947 (England and Wales)

Auditors

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

Bankers

HSBC
17 High Street
Melton Mowbray
Leicestershire
LE13 0TY

Solicitors

Browne Jacobson
44 Castlegate
Nottingham
NG1 7BJ

MOWBRAY EDUCATION TRUST LIMITED
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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

Trustees Report

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

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

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

Structure, Governance and Management

Constitution

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

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

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

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

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

Members' Liability

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

Trustees' Indemnities

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

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Principal activities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

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

Policies and Procedures adopted for the Induction and Training of Trustees

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

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

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

Organisational Structure

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

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

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

Connected organisations, including related party relationships

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

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Risk Management

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

Objectives and Activities

Objects and Aims

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

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

Objectives, Strategies and Activities

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

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

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

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

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

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

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

The Trust has set out its values as being:

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

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

Public Benefit

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

Strategic Report

Achievements and Performance

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

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

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

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

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

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Secondary Schools

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

Primary Schools

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

Going Concern

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

Financial Review

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

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

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

Financial and risk management objectives and policies

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

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

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

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Reserves Policy

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

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

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

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

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

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

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

Investment Policy

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

Key performance indicators

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

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Key performance indicators (continued)

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

Principal Risks and Uncertainties

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

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

Plans for future periods

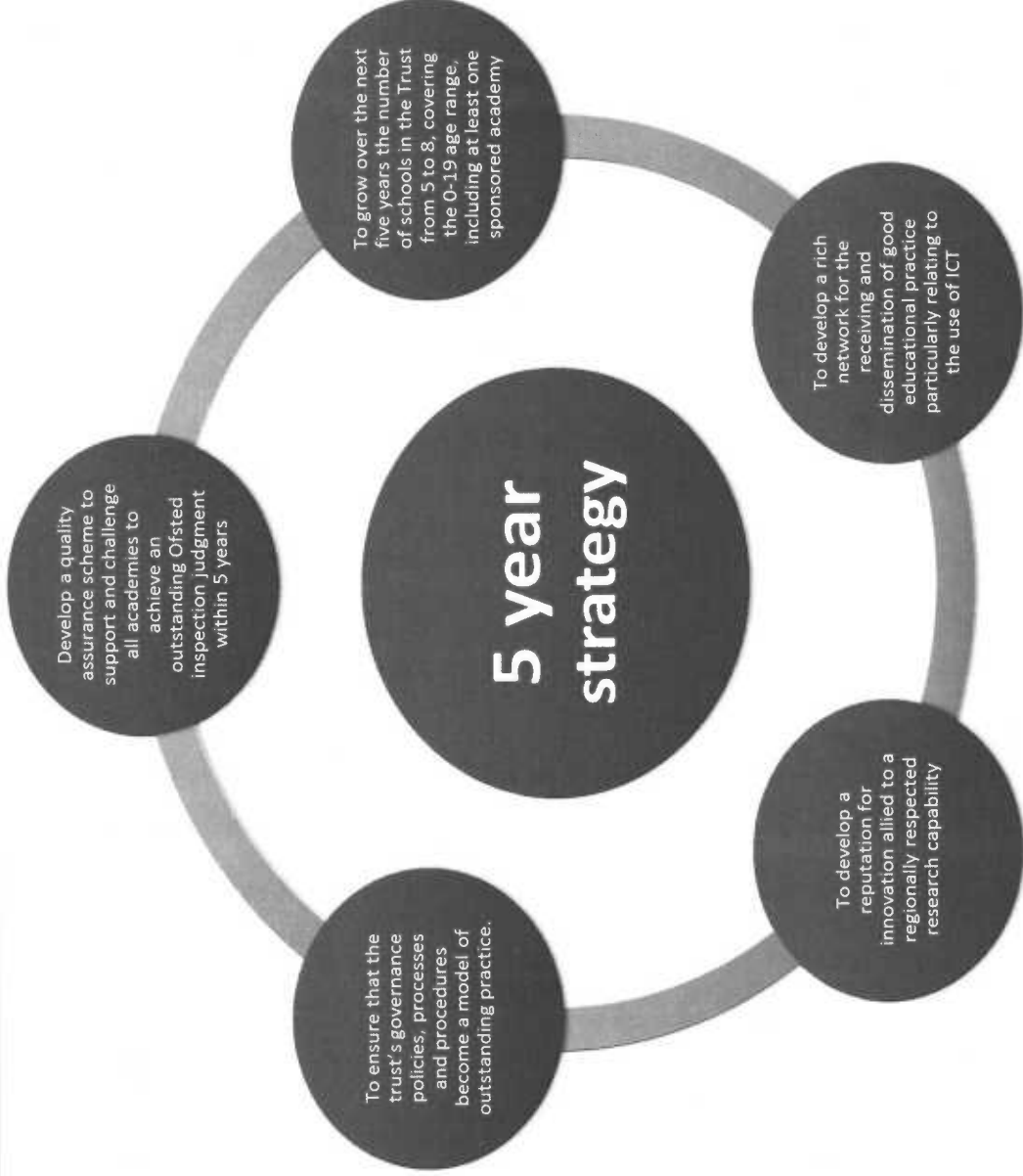
The Trust, as set out in the strategic summary of the plans set out overleaf, has plans to consolidate the growth of the Trust over the coming period, ensuring that excellent standards are maintained across all schools and to support the development of all member schools.

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

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Plans for future periods (continued)

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

Funds held as Custodian Trustee on behalf of others

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

Auditors

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

Statement as to disclosure of information to auditors

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

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



C Godber
Chair

MOWBRAY EDUCATION TRUST LIMITED
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GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of Responsibility

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

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

Governance

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

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

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

Governance Reviews

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