

MOWBRAY EDUCATION TRUST LIMITED
(formerly John Ferneley College Academy Trust)
(A Company Limited by Guarantee)

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

Registered Number 07796947 (England and Wales)

MOWBRAY EDUCATION TRUST LIMITED
(formerly John Ferneley College Academy Trust)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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MOWBRAY EDUCATION TRUST LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2014

Members and trustees

C Godber (Chair)

R Roberts *

E Welsh *

T Eardley *

C J Robinson (CEO)

(* designates a member of the Audit Committee)

Trustees

A C Brewster

M Bryers

S Mabbott

resigned 02 December 2013

D Turrell (staff trustee)

appointed 28 January 2014

S Lebbon

resigned 29 January 2014

A Cornforth

resigned 28 February 2014

L Garrigan

resigned 28 February 2014

P John

resigned 28 February 2014

F Macdonald (staff trustee)

resigned 28 February 2014

P Posnett

resigned 28 February 2014

M Twitney

resigned 28 February 2014

L Umbleja (staff trustee)

resigned 28 February 2014

M Bryers

appointed 26 March 2014

A Bailey (staff trustee)

resigned 31 August 2014

W Boardman

appointed 01 October 2014

Company Secretary

D H Reed

Senior Management Team:

Chief Executive Officer

C J Robinson

Finance Director

S Mitchell

Group HR Manager

H Robinson

Head Teachers:

Ab Kettleby Community Primary School

I Toon

Brownlow Primary School

D Turrell

John Ferneley College

C Stansfield

Somerby Primary School

J Hurrell

The Grove Primary School

D M Owens

Chief Executive and Registered Office

Scafford Road
 Melton Mowbray
 Leicestershire
 LE13 1LH

Company Registration Number

07796947 (England and Wales)

Auditors

Baker Tilly 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
(formerly John Ferneley College Academy Trust)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

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 2014.

The Trust has undergone significant changes in the year, becoming a Multi Academy Trust of four schools as set out below during the year. The Trust changed its name from John Ferneley College Academy Trust Limited to Mowbray Education Trust on 4 July 2014 in recognition of the change to Multi Academy Status and the need to represent all schools equally.

The Trust operated 1 secondary school and 3 primary schools in Melton Mowbray during the year. The academies have a combined pupil capacity of 1,799 and had a roll of 1,695 at 31 August 2014

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 (with effect from 1 April 2014)
- Brownlow Primary School (with effect from 1 April 2014)
- John Ferneley College
- Somerby Primary School (with effect from 1 April 2014)

The Grove Primary School joined the Trust with effect from 1 October 2014.

The Trust is governed by a Board of Trustees, (details of appointment methods are set out below), and this Board is responsible for the legal operations of the Trust, and compliance with the relevant statutory and regulatory frameworks we operate under. Each school operates under a Terms of Reference (commonly referred to as a Scheme of Delegation) agreed with the Trust which identifies the responsibilities the Board pass to a Local Governing Body of a school. These Local Governing Bodies are appointed in accordance with each school's own criteria, and typically represent the pre-existing Governing Bodies of the school's. The Trust CEO sits as a Governor on each Local Governing Body, and the Trust Board stipulates a requirement that at least 2 members of the Local Governing Body must be parents of students in the relevant school.

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

The Trust changed its name from John Ferneley College Academy Trust to Mowbray Education Trust on 4 July 2014 following the conversion to Multi Academy Trust status, and approval from the Department for Education for the name change. All member schools of the Trust continue to operate under their own names and branding.

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.

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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.

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 Executive Principal, or 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 Trustees retains the legal responsibility for all operations of the schools however has an agreed Terms of Reference (Scheme of Delegation) 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 Trustees 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 the premise of 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.

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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

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 disablement, 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.*

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.

Strategy

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 passionately 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 MET 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.

Core Values

The Trust has set out its values as being:

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

Note that these are the Trust values and the values schools have will inevitably focus more upon the students of that particular school, but these values are encompassing of all schools within the Trust.

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

2013-14 was a year of significant changes, as well as massive achievements for the Trust. The Trust became an Approved Sponsor for the DfE at the end of the previous academic year. This status means that the Trust is one of a limited number of Trusts across the country that the DfE can choose to work with to support the turnaround of schools that are struggling and receiving poor judgements from Ofsted. Gaining this status was a key milestone in the strategy followed by the Trustees of the Trust and affirmed the commitment to quality and excellence for which we have become known. Our conversations with the DfE over a potential suitable project have continued this year and we are committed to responding to needs as they arise.

Over the course of the last year the organisation had been in discussion with local primaries schools regarding how a multi academy structure could be of benefit for all parties. Following a thorough conversion process Ab Kettleby, Brownlow and Somerby primary schools officially became part of the Trust on 1 April 2014 along with John Ferneley College and we are all very much looking forward to what the future holds for the partnership. We are delighted to report that the Trust has further grown on 1 October 2014 to include The Grove Primary School.

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The Trustees of the Trust recognised the need for the organisation's name to reflect appropriately its environment and with the Trust now having more than one school promptly chose to rename the Trust as the Mowbray Education Trust. This name was deliberately chosen to put Education at the centre of the name, and our operations, with a geographically representative anchor, and noting that as Trust we are fundamentally an organisation whose primary aim is to be of benefit to others.

Our students have once again done themselves proud with the results achieved in the summer assessment period.

Secondary Schools

Our students at John Ferneley College have had an incredible year, securing the best ever English Results at C or above, and equalling our best ever Maths results. 60% of students achieved 5A*-C including English and Maths. These results show that our students consistently achieve well above national expectations and that JFC is one of the best performing schools in the county.

- 80% of cohort got A*-C in English, vs. a national average of 62%
- 75% of cohort got A*-C in Maths, vs. a national average of 62%.
- 70% of cohort got 5 GCSEs A*-C.

Primary Schools

Pupils at our three primary schools have excelled during the year, with the Y6 pupils achieving:

- All three primary schools made greater than expected progress in reading, writing and mathematics.
- 83% of Brownlow pupils achieved Level 4+ in RWM vs. national average of 65%
- 100% of Ab Kettleby pupils achieved Level 4+ in RWM vs. national average of 65%
- 100% of Somerby pupils achieved Level 4+ in RWM vs. national average of 65%.

Key Performance Indicators

The performance of the Trust is so much more than just the financial performance showcased in this set of financial statements. The Trust Board take a holistic view when measuring performance of the Trust and also track all schools in the Trust 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, revenue per student, number of staff per student, salaries as a percentage of income etc.

Going Concern

After making appropriate enquiries, the Board of Trustees 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.

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Financial Review

This set of accounts lays out the financial performance for the Trust for the year to 31 August 2014.

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 2014 the Trust had £900,965 (2013: £737,034) in cash, with a reported deficit before depreciations, other recognised gains and losses and transfer on conversion is £96,355 (2013: surplus - £56,907).

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 Trustees. It is the Trustees' 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 Trustees' current view that the Trust should hold a minimum of 5% of the annual GAG income as Free Reserves, and should be working towards establishing reserves of 8% across the Trust. Free Reserves are identified as unrestricted general funds

The Trustees 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 unrestricted funds at the end of each financial year within each school will be transferred to MAT reserves to enable the Trustees to assign reserves to any strategic project arising in the future in any school or the MAT as a whole. Any unspent restricted funds will remain as reserves wholly attributable to the school to which they accrue.

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At all times the Trustees 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.

Principal Risks and Uncertainties

The Trust's Board of Trustees regularly reviews the Risk Register, and ensures that appropriate actions are being taken. Risks considered include Strategic (loss of funding, poor Ofsted reviews, lack of demand, staff acting outside of Objects, etc).

Confirmation is received under the Funding Agreement for a 7 year rolling cycle giving the Trustees some reassurance over the potential risk of continuity of funding.

Plans for future periods

The Trust, as set out in the strategic documents referred to above 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 the diagram on the following page:

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The trustees are fully focussed on ensuring that our schools continue their excellent path of growth with regard to results at Key Stages 1-4, and has 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.

Auditor

Baker Tilly Audit Limited ceased trading on 31st March 2014. The trustees, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. In accordance with the Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as Auditor will be put to the members.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees 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.

The auditors are willing to continue in office and will be reappointed for the forthcoming year.

The Trustees' Report is approved by the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity on the directors at a meeting on 10th December 2014 and signed on its behalf by:



C Godber
Chair