

Company Registration No. 07796947 (England and Wales)

MOWBRAY EDUCATION TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

MOWBRAY EDUCATION TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Members

C Godber
R Roberts
E Welsh
T Eardley (Resigned 15 February 2016)
C J Robinson

Trustees

C Godber (Chair) (Resigned 12 October 2016)
R Roberts
E Welsh
T Eardley (Resigned 15 February 2016)
C J Robinson (CEO and Accounting Officer)
A C Brewster (Acting Chair)
D Turrell (Staff Trustee)
M Bryers (Resigned 12 October 2016)
S Connolly
J Richards
M Heatlie (Appointed 29 June 2016)
B Maccarthy (Appointed 29 June 2016)
P Caulfield (Appointed 29 June 2016)

Senior management team

- Chief Executive Officer	C J Robinson
- Finance Director	S Mitchell
- Head Teacher of Ab Kettleby Community Primary School	I Toon
- Head Teacher of Brownlow Primary School	D Turrell
- Head Teacher of John Ferneley College	C Stansfield
- Head Teacher of Somerby Primary School	P Plant
- Head Teacher of The Grove Primary School	D M Owen

Company secretary

D Reed

Company registration number

07796947 (England and Wales)

Registered office

Scalford Road
Melton Mowbray
Leicestershire
LE13 1LH

Academies operated

Ab Kettleby Community Primary School
Brownlow Primary School
John Ferneley College
Somerby Primary School
Mowbray Education Trust
The Grove Primary School

Location

Melton Mowbray
Melton Mowbray
Melton Mowbray
Melton Mowbray
Melton Mowbray

Head Teacher

I Toon
D Turrell
C Stansfield
P Plant
D M Owens

MOWBRAY EDUCATION TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

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

Bankers

HSBC Bank Plc
17 High Street
Melton Mowbray
Leicestershire
LE13 0TY

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

MOWBRAY EDUCATION TRUST LIMITED

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 2016. 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 2,046 at 31 August 2016.

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
- John Ferneley College
- Somerby Primary School

During the previous year ended 31 August 2015, the Academy Trust converted one primary school, that being the Grove Primary. No schools joined the Trust in the year to 31 August 2016.

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.

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.

MOWBRAY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

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 intends to provide 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.

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.

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 4 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 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.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key management staff is set out in Trust's pay policy which is annually reviewed and ratified by Trustees. The pay policy sets out the framework for making decisions on all pay including key management staff. The policy has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been consulted on with staff and/or the recognised trade unions. The pay policy underpin the Academies' Performance Management Policy which provides the opportunity for all staff to discuss their performance and development needs in relation to their job role and pay progression. Where eligible for pay progression, the recommendation made by the appraiser is based on the assessment of their performance against the agreed objectives. The final decision lies with the pay committee of each school, constituted of members of the Local Governing Body, and is based on the statutory criteria and guidance set out in the STPCD and the relevant teacher standards. The remuneration of the CEO and the COO are set by the Board, with support from the Nominations and Remunerations Committee. No remuneration payments are made to Trustees.

Related parties and co-operation with other organisations

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

MOWBRAY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

- 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").
- 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 regionally known and respected educational leader recognised for our student outcomes and the impact of our educational partnerships".

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.
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.

MOWBRAY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

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

2015-16 was a year in which the Trust achieved many significant milestones, and one that will be viewed as being the bedrock for our future growth and success as a Trust. It saw the continuation of developed working across and between each of our schools, and the further development of organisation wide operating practices.

The CEO continued his work as Chair of an Interim Emergency Board at the Secretary of State's request, and this work was completed at the end of the academic year, with a successful move to a new academy sponsor, and a remarkable improvement in the results of that particular school, both educationally and financially.

Our work with the 2 schools in Grantham that the DfE asked us to partner with previously continued apace, with deep and broad partnerships being forged between staff in those schools and with the schools in our Trust. This has resulted in some staff now on secondment at these Grantham schools, and progress being made against the action plans for each school. The contract was extended, with the agreement of the Grantham schools, to a period of 3 years.

Many of our students have again achieved some outstandingly good results in the summer assessment period for which the Directors congratulate the staff and students on their immense hard work, and are proud of their successes.

Secondary Schools

GCSE Results for 2016 once again place John Ferneley College as one of the best performing secondary schools in the region. Based upon the Government's favour measure of Progress 8, (a measurement for tracking the progress that students make on their best 8 subjects at GCSE and equivalent), the College was ranked as the 3rd best provider in the County, but perhaps even more impressively, was in the top 5% of schools nationally. This exceptional performance is a reward for the very hard work of the school, and is indicative of what we are trying to achieve across each of our schools. Every child matters, and we encourage every child to make the best progress they possibly can. It is for this reason that we support the Progress 8 measure as being of more value than the previous league table markers of 5 GCSEs at A*-C including English and Maths, as that measure ignored the tremendous progress that some students make but for whom attainment at C was not possible.

Primary Schools

The pupils at our four primary schools have largely performed well during the last year, with all schools meeting the Government's floor targets in all areas for progress, and some indicators being significantly above national average.

MOWBRAY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

Financial review

This set of accounts lays out the financial performance for the Trust for the year ended to 31 August 2016. 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 2016 the Trust had £984,400 (2015: £1,237,491) in cash, with a reported deficit before depreciation, transfers between funds and transfer on conversion of £17,572 (2015: £228,142 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.

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.

MOWBRAY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

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.

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.

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 Accounting Policies.

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:

- Use a QA and development programme across the Trust to support outcomes in at least top 25% of schools nationally;
- To grow number of schools to build staff capacity and access capital funds;
- To identify, prepare and implement a school improvement team;
- To ensure that governance policies, processes and procedures are a model of outstanding practice.

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. The Trust is also actively seeking to engage with pre-school providers, and as indicated in Note 26, several pre-schools will be joining the Trust in the coming months. This aids significantly the benefits that the Trust can have when working at transition points for children, and is a key part of our strategy to ensure that all children are supported.

MOWBRAY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

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.

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.

The Trust Board considers the principal risks to the organisation to be:

- a) failure to deliver positive educational outcomes;
- b) loss of funding; and
- c) safeguarding issues.

The Board have enacted specific actions in relation to each of these principal risk areas, and regularly review how they are being mitigated through the Risk Register. The CEO is accountable to the Board for ensuring that systems are in place that avoid these risks materialising.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

The Trust encourages the involvement of its employees in its management through regular meetings of the staff forums which have responsibility for the dissemination of information of particular concern to employees (including financial and economic factors affecting the performance of the Trust) and for receiving their views on important matters of policy.

The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. The Trust is committed to providing training and support so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the Trust.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

AUDITOR

RSM 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 auditor

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^{31/12/16}..... and signed on its behalf by:

.....
A C Brewster
Acting Chair



MOWBRAY EDUCATION TRUST LIMITED

GOVERNANCE STATEMENT

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 10 times during the year. Attendance during the year at meetings of the Board of Trustees and constituent sub committees, were as follows:

Trustees	Meetings attended	Out of possible
C Godber (Chair) (Resigned 12 October 2016)	7	10
R Roberts	10	10
E Welsh	10	10
T Eardley (Resigned 15 February 2016)	3	4
C J Robinson (CEO and Accounting Officer)	9	9
A C Brewster (Acting Chair)	8	10
D Turrell (Staff Trustee)	10	10
M Bryers (Resigned 12 October 2016)	10	10
S Connolly	10	10
J Richards	10	10
M Heatlie (Appointed 29 June 2016)	1	1
B Maccarthy (Appointed 29 June 2016)	1	1
P Caulfield (Appointed 29 June 2016)	1	1

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.

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.

MOWBRAY EDUCATION TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

There are two sub-committees of the Board. The Audit Committee reviews all aspects of finance and risk pertaining to the organisation, and the Nominations and Remunerations Committee oversees board skills, competencies and succession planning for directors, as well as personnel related issues that are not delegated to the Executive in the Scheme of Delegation. It is also responsible for approving changes in remuneration structures for senior management, and approving organisational wide pay adjustments, and changes to pay policies enacted in the schools.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
C Godber (Chair) (Resigned 12 October 2016)	0	2
R Roberts	2	3
E Welsh	3	3
T Eardley (Resigned 15 February 2016)	1	1
C J Robinson (CEO and Accounting Officer)	3	3
A C Brewster (Acting Chair)	1	1
M Bryers (Resigned 12 October 2016)	3	3

Review of value for money

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the Academy Trust 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year as stated below.

Mowbray Education Trust is proud of our students and the tremendous results they achieve. We are not existing just to provide a route to secure qualifications, but facilitating access to the next stage of each and every student's life, through from Key Stage 1 to 4. This manifests itself in the broad range of the curriculum offered, the extra-curricular activities available, and the social development opportunities that exist within our group of schools.

Education Delivery

We are **committed to raising attainment standards and continuously improving educational results.**

The Trust has implemented a **model of assertive tracking** and **Quality Assurance** that we really believe is second to none. It allows us to monitor the progress each student is making, across all lessons and to intervene where need be, and to give focussed and relevant praise in areas of high achievement. The **staffing structure is under continuous review**, and we employ a **wide range of excellent staff**, allowing teachers with the expertise to **drive enhancement of the curriculum**. The growth of the MAT is allowing us opportunities for the further development of staff and sharing of expertise between schools where needs are identified.

We have a huge belief in the **importance of place** as being key to the learning of students. Our school sites are of key importance to education as a whole and we invest to ensure our students have the best facilities available to support their learning. Over the last year the Trust has invested significantly in improving the IT infrastructure of all of our schools, which aids the ability to deliver outstanding teaching to our children. The Grove has invested in developing outside play and learning areas for their children, as well as some significant remodelling of the inside of their building. Ab Kettleby suffered significant damage during the summer floods but due to the support of the Trust, and Brownlow School, was only closed to children for one day, and the school re-opened for the new academic year completely repaired and refurbished. John Ferneley College was supported to transition their catering provision to an alternative provider which has seen food quality and range increase, student participation in hot food increase, and seen a cost saving to the school in excess of £50,000 every year. Cleaning has also been outsourced for the start of the new academic year at John Ferneley, Brownlow and Somerby, resulting in an improved contract, with financial savings across the Trust too.

MOWBRAY EDUCATION TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

We continue to believe in the value of high quality teaching. We monitor this on a regular basis, and invest in appropriate CPD, and resources to drive up the levels of outstanding teaching across all of our schools.

Our activities are having a **quantifiable effect**. We have implemented cross school **Quality Assurance** inspections, which are helping to drive forward the development of joined up Self Evaluation Documents, and School Improvement Plans.

Attendance is continually improving due largely to the intensive work programme put in place to monitor and follow up on all non-attendance issues. However, a real success is seen in **persistent absenteeism**. This has seen a decrease to 4.3% in the secondary school with comparable numbers in the primary schools.

Financial performance for the Trust during the year has been sound, albeit against a position of tightening funding arrangements and increasing costs. The Trust's reserves remain healthy, and the Board are committed to ensuring that reserves are used for projects that will benefit our students. The Board however are cognisant of their requirement to maintain healthy reserves so that future needs can be met.

Financial Governance and Oversight

We recognise our **obligation to act transparently** and to use public funds with probity and responsibility. The Chief Operating Officer has also implemented **Financial Assurance Standards**, delivering a road map for continued financial improvement, and a recent Internal Audit report notes that "**Governance is very good indeed**".

The Trust has a robust Audit Committee that oversees the financial activities of the Trust and that challenges the Executive on financial management and reporting, and regularly reports to the full Board. Each school has their own Finance committee where the Governors hold the respective SLT's to account. The Trust utilise the same finance system across all schools within the Trust ensuring probity, transparency and accountability is paramount. The financial governance model of the Academy includes an Accounting Officer, who is also the CEO of the Trust and the Accounting Officer completes a declaration that is included in the statutory accounts as to the discharge of their duties.

The Audit Committee has a policy of **ensuring value for money at all times** and all schools have requirements for similar focus, including a comprehensive procurement protocol, where 3 quotes are required for purchases over £10,000. All purchases have dual signatory requirements to ensure probity. The Finance Committee of each school consider the **opportunity cost** of any investment, and **the projected return** of any investment decisions. This ensures that money is effectively spent and is **targeted on activities** that are most relevant to the school's development and the attainment of students.

During 2015/16 all service contracts were reviewed and where appropriate renegotiated to get the best mix of quality and effectiveness, whilst ensuring value for money.

The Trust has a focus on increased **revenue generation** where possible, and is actively seeking new revenue streams. There is a recognition that driving unrestricted funds through commercial activities will be of benefit to the pupils as monies made can be reinvested in resources for the furtherance of education. The Board though are acutely aware that such commercial activities should not be followed to the detriment of the educational provision within each of the schools.

Management accounts are produced monthly and shared with staff throughout the Trust as well as the Audit Committee and Local Governing Bodies. Cash and bank balances that are not required for working capital are invested in a higher return account, and regularly reviewed.

MOWBRAY EDUCATION TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust 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 in Mowbray Education Trust Limited for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy Trust's 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 Board of Trustees;
- regular reviews by the Audit 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;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has commissioned Leicestershire County Council to carry out this work after some detailed specification development. The initial report notes that "*Governance is very good indeed*", and there is a rolling scope of work that will review specific areas across the Trust and schools every year.

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 work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

MOWBRAY EDUCATION TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

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

Approved by order of the Board of Trustees on 7/12/16 and signed on its behalf by:


C J Robinson
CEO and Accounting Officer

A C Brewster
Acting Chair



MOWBRAY EDUCATION TRUST LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Mowbray Education Trust Limited I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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 Trustees and EFA.



C J Robinson
Accounting Officer

7/12/16

MOWBRAY EDUCATION TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of Mowbray Education Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Mowbray Education Trust Limited and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the DfE/EFA have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company'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 of Trustees on  and signed on its behalf by:



A C Brewster
Acting Chair