

**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**  
**(formerly John Ferneley College Academy Trust)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

<b>Members and trustees</b>	C Godber (Chair) R Roberts * E Welsh * T Eardley * C J Robinson (CEO) <i>(* designates a member of the Audit Committee)</i>	
<b>Trustees</b>	A C Brewster M Bryers S Mabbott D Turrell (staff trustee) S Lebbon A Cornforth L Garrigan P John F Macdonald (staff trustee) P Posnett M Twitney L Umbleja (staff trustee) M Bryers A Bailey (staff trustee) W Boardman	resigned 02 December 2013 appointed 28 January 2014 resigned 29 January 2014 resigned 28 February 2014 resigned 28 February 2014 resigned 28 February 2014 resigned 28 February 2014 resigned 28 February 2014 resigned 28 February 2014 resigned 28 February 2014 resigned 28 February 2014 appointed 26 March 2014 resigned 31 August 2014 appointed 01 October 2014
<b>Company Secretary</b>	D H Reed	
<b>Senior Management Team:</b>		
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	
<b>Chief Executive and Registered Office</b>	Scalford Road Melton Mowbray Leicestershire LE13 1LH	
<b>Company Registration Number</b>	07796947 (England and Wales)	
<b>Auditors</b>	<b>Bankers</b>	<b>Solicitors</b>
Baker Tilly UK Audit LLP Rivermead House 7 Lewis Court Grove Park Enderby Leicestershire LE19 1SD	HSBC 17 High Street Melton Mowbray Leicestershire LE13 0TY	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**

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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.

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

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**FOR THE YEAR ENDED 31 AUGUST 2014**

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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.

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

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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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.

**MOWBRAY EDUCATION TRUST LIMITED**  
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**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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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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**FOR THE YEAR ENDED 31 AUGUST 2014**

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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.



**MOWBRAY EDUCATION TRUST LIMITED**  
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**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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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.

**MOWBRAY EDUCATION TRUST LIMITED**  
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**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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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:

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

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2014**



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

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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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 10<sup>th</sup> December 2014 and signed on its behalf by:



**C Godber**  
**Chair**

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

**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Mowbray Education Trust Limited (formerly John Ferneley College Academy Trust) 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 propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Mowbray Education Trust Limited (formerly John Ferneley College Academy Trust) 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. As part of the transition to multi academy trust status there has been significant change to the trustees during the year as outlined on page 1. Attendance during the year at meetings of the board of trustees, and constituent sub committees, were as follows: (Note that this represents meetings at John Ferneley College up to 26<sup>th</sup> February 2014)

<b>Trustees</b>	<b>Eligible Meetings</b>	<b>Meetings Attended</b>
Adam Brewster	6	6
Trevor Eardley	11	10
Fiona MacDonald	6	4
Rachel Roberts	11	11
Chris Robinson (Principal, and accounting officer)	11	11
Mike Twitney	6	6
Elaine Welsh	7	6
Conroy Godber (Chair)	11	10
Sally Fisher	4	1
Sarah Lebbon	4	3
Lara Hall	6	4
Lydia Garrigan	6	5
Amanda Cornforth	7	6
Phil John	5	2
Pam Posnett	6	1

After the new articles were adopted on the 26 February 2014 the Board of Trustees was amended as in line with the articles, and the previous Board of Trustees of John Ferneley resigned their Director roles, whilst maintaining their remit for the Local Board of Governors of John Ferneley.

The Board of the organisation was therefore constituted as is set out on page 1 as those trustees serving post 26 February 2014. Their attendance at meetings post 26<sup>th</sup> February is indicated below:

**MOWBRAY EDUCATION TRUST LIMITED**  
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**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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<b>Trustees</b>	<b>Eligible Meetings</b>	<b>Meetings Attended</b>
Conroy Godber (Chair)	8	8
Mark Bryers	6	4
Trevor Eardley	8	8
Rachel Roberts	8	8
Elaine Welsh	8	8
Damien Turrell	8	8
Adam Brewster	8	8
Alison Bailey	4	2
Chris Robinson (CEO)	8	8

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. All Trustees have signed a Code of Conduct, and a regular review of Board efficiency and effectiveness will be undertaken.

**MOWBRAY EDUCATION TRUST LIMITED**  
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**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 (formerly John Ferneley College Academy Trust) for the year ended 31 August 2014 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 2014 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 decided not to appoint an internal auditor. However, the Trustees have appointed Leicestershire County Council as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On an annual basis the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

**Review of Effectiveness**

As accounting officer, the Chief Executive 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**  
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**GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Review of Effectiveness (continued)**

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

Approved by order of the members of the Board of Trustees on 10<sup>th</sup> December 2014 and signed on its behalf by:



**C Godber**  
Chair

  
**C J Robinson**  
Accounting Officer



**MOWBRAY EDUCATION TRUST LIMITED**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Mowbray Education Trust Limited (formerly John Ferneley Academy Trust), 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. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust 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.

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

10 December 2014

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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The Trustees (who act as governors of Mowbray Education Trust Limited (formerly John Ferneley College Academy Trust) and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements 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 statement of affairs of the Charitable company and of its incoming resources and application of resources, including its income and expenditure for that year. 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;
- 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 of both propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE 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 10<sup>th</sup> December 2014 and signed on its behalf by:



**C Godber**  
Chair

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

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOWBRAY EDUCATION TRUST LIMITED**

We have audited the financial statements of Mowbray Education Trust Limited (formerly John Ferneley College Academy Trust) Limited for the year ended 31 August 2014 which comprises the Statement of Financial Activities (including income and expenditure account and statement of recognised gains and losses), balance sheet, cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view, of the state of the charitable company's affairs as at 31 August 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

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

*Baker Tilly UK Audit LLP*

**Gareth Jones**  
**Senior Statutory Auditor**  
**for and on behalf of**

Date 17/12/14

**Baker Tilly UK Audit LLP**  
**Statutory Auditor**  
**Chartered Accountants**

Rivermead House  
7 Lewis Court  
Grove Park  
Enderby  
Leicestershire  
LE19 1SD

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
(including Income and Expenditure Account and Statement of Recognised  
Gains and Losses)  
**FOR THE YEAR ENDED 31 AUGUST 2014**

					Year ended 31 August 2014 Total £	Year ended 31 August 2013 Total £
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £		
<b>Incoming resources</b>						
<i>Income resources from generated funds:</i>						
- Transfer from Local Authority on conversion	26	86,851	(320,000)	3,119,000	2,885,851	-
- Voluntary income	2	6,939	-	-	6,939	-
- Activities for generating funds	3	274,182	-	-	274,182	120,873
- Investment income	4	4,651	-	-	4,651	2,737
<i>Incoming resources from charitable activities:</i>						
- Funding for the Academy's educational operations	5	-	6,003,155	40,047	6,043,202	4,664,851
<b>Total incoming resources</b>		<b>372,623</b>	<b>5,683,155</b>	<b>3,159,047</b>	<b>9,214,825</b>	<b>4,788,461</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
- Fundraising trading		144,965	-	-	144,965	94,713
<i>Charitable activities:</i>						
- Academy's educational operations	7	-	6,260,347	482,713	6,743,060	5,187,325
<i>Governance costs</i>	8	-	20,017	-	20,017	8,700
<b>Total resources expended</b>	6	<b>144,965</b>	<b>6,280,364</b>	<b>482,713</b>	<b>6,908,042</b>	<b>5,290,738</b>
Net incoming/(outgoing) resources before transfers		227,658	(597,209)	2,676,334	2,306,783	(502,277)
Gross transfer between funds		(217,006)	229,209	(12,203)	-	-
<b>Net income/(expenditure) before other recognised gains and losses</b>		<b>10,652</b>	<b>(368,000)</b>	<b>2,664,131</b>	<b>2,306,783</b>	<b>(502,277)</b>
<i>Other recognised gains and losses:</i>						
Actuarial (losses)/gain on defined benefit pension scheme	24	-	(664,000)	-	(664,000)	20,000
<b>Net movement in funds</b>		<b>10,652</b>	<b>(1,032,000)</b>	<b>2,664,131</b>	<b>1,642,783</b>	<b>(482,277)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		448,878	(1,050,000)	19,296,797	18,695,675	19,177,952
Total fund carried forward		459,530	(2,082,000)	21,960,928	20,338,458	18,695,675

The academy's activities are derived from the continuing operations of John Ferneley College and the three converted primary schools in the year.

The notes on pages 22 – 40 form part of these financial statements.

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

**BALANCE SHEET AT 31 AUGUST 2014**

**COMPANY NUMBER: 07796947**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	13	21,960,928	19,296,797
<b>Current assets</b>			
Debtors	14	170,280	64,903
Cash at bank and in hand		900,965	737,034
		1,071,245	801,937
<b>Liabilities</b>			
Creditors: amounts falling due within one year	15	(611,715)	(353,059)
<b>Net current assets</b>		459,530	448,878
		22,420,458	19,745,675
<b>Total assets less current liabilities excluding pension liability</b>			
Pension scheme liability	24	(2,082,000)	(1,050,000)
<b>Net assets including pension liability</b>		20,338,458	18,695,675
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>			
- fixed asset fund	16	21,960,928	19,296,797
- pension reserve	16	(2,082,000)	(1,050,000)
<b>Total restricted funds</b>		19,878,928	18,246,797
<b>Unrestricted income funds</b>			
- general fund	16	459,530	448,878
<b>Total unrestricted funds</b>		459,530	448,878
<b>Total funds</b>	16	20,338,458	18,695,675

The financial statements on pages 19 to 40 were approved by the trustees and authorised for issue on 10<sup>th</sup> December 2014 and are signed on their behalf by:



**C Godber**  
Chair

The notes on pages 22 - 40 form part of these financial statements.

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

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	Year end 31 August 2014 £	Year end 31 August 2013 £
<b>Net cash inflow from operating activities</b>	19	44,343	203,531
Return on investments and services of finance	20	4,651	2,737
Capital expenditure	21	12,203	(87,578)
<b>Increase in cash in the year</b>		61,197	118,690
<b>Reconciliation of net cash flow on movement in net funds</b>			
Net funds at 1 September 2013		737,034	618,344
Net funds – transferred on conversion	26	102,734	-
<b>Net funds at 31 August 2014</b>	22	900,965	737,034

The notes on pages 22 - 40 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. Statement of Accounting Policies**

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006. The Statement of Financial Activities as set out on page 19 identifies the identical information as that of the Income and Expenditure Statement. As such, no separate Income and Expenditure Statement has been prepared.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the trust to continue as a going concern. The trustees make this assessment each year in respect of a year of one year from the date of approval of the financial statements.

**Conversion of new schools**

The conversion of state maintained schools in to the academy trust involved the transfer of identifiable assets and liabilities and the operation of three schools for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from three separate schools to the multi academy company have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out in Mowbray Education Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised as a transfer from Local Authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 26.

**Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant (GAG) from the DfE, which is intended to meet recurrent costs, is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. Statement of Accounting Policies (continued)**

- **Other income**

Including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

**Resources expended**

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the trust's educational operations.

- **Governance costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Long leasehold buildings	Over 50 years on straight line basis
Fixtures and equipment	Over 20 or 5 years on a straight line basis
Computer equipment	Over 3 years on a straight line basis
Motor vehicles	Over 10 years on a straight line basis

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. Statement of Accounting Policies (continued)**

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions Benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS') (until April 2016), and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the government actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency or the Department for Education.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

**2. Voluntary Income**

	Unrestricted Funds	Restricted Funds	Year ended 31 August 2014 Total	Year Ended 31 August 2013 Total
	£	£	£	£
Other donations	6,939	-	6,939	-

**3. Activities for Generating Funds**

	Unrestricted Funds	Restricted Funds	Year ended 31 August 2014 Total	Year Ended 31 August 2013 Total
	£	£	£	£
Academy trips	176,049	-	176,049	96,165
Hire of facilities	19,564	-	19,564	14,783
Sundry income	78,569	-	78,569	9,925
	274,182	-	274,182	120,873

**4. Investment Income**

	Unrestricted Funds	Restricted Funds	Year ended 31 August 2014 Total	Year Ended 31 August 2013 Total
	£	£	£	£
Bank interest receivable	4,651	-	4,651	2,737

**5. Funding for academy's educational operations**

	Unrestricted Funds	Restricted Funds	Year ended 31 August 2014 Total	Year Ended 31 August 2013 Total
	£	£	£	£
<b>DfE / EFA revenue grants</b>				
- General Annual Grant (GAG)	-	5,510,228	5,510,228	4,604,130
- Developed Formula Capital Allowances	-	40,047	40,047	20,554
- Other DfE/EFA grants	-	211,190	211,190	-
	-	5,761,465	5,761,465	4,624,684
<b>Other Government grants</b>				
- Local authority grants	-	218,754	218,754	8,928
- SEN funding from local authority	-	62,983	62,983	31,239
	-	281,737	218,737	40,167
<b>Total</b>	-	6,043,202	6,043,202	4,664,851

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

**6. Resources expended**

	Staff Costs £	Premises costs £	Other costs £	Year ended 31 August 2014 Total £	Year Ended 31 August 2013 Total £
Costs of activities for generating funds	-	-	144,965	144,965	94,713
Academy's education operations:					
- Direct costs	3,960,579	-	538,379	4,498,958	3,360,435
- Allocated support costs	793,687	907,767	540,648	2,244,102	1,826,890
	4,754,266	907,767	1,223,992	6,888,025	5,282,038
Governance costs including allocated support costs	-	-	20,017	20,017	8,700
	4,754,266	909,767	1,244,009	6,908,042	5,290,738

**Incoming/(outgoing) resources for the year include:**

	Year ended 31 August 2014 £	Year Ended 31 August 2013 £
Operating leases	62,768	15,304
Fees payable to auditor - audit	10,175	7,200
- other services	9,842	1,500
Depreciation on tangible fixed assets	482,713	559,184

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

**7. Charitable Activities – Academy’s educational operations**

	Unrestricted Funds £	Restricted Funds £	Year ended 31 August 2014 Total £	Year Ended 31 August 2013 Total £
<b>Direct costs:</b>				
Teaching and educational support staff costs	-	3,960,579	3,960,579	3,018,162
Educational supplies	-	174,569	174,569	169,017
Examination and assessment costs	-	92,393	92,393	94,873
Staff development	-	20,912	20,912	7,726
Other direct costs	-	250,505	250,505	70,657
	-	4,498,958	4,498,958	3,360,435
<b>Allocated support costs:</b>				
Support staff costs	-	793,687	793,687	509,469
Depreciation	-	482,713	482,713	559,184
Recruitment and support	-	52,690	52,690	32,107
Maintenance of premises and equipment	-	190,897	190,897	156,679
Cleaning	-	123,675	123,675	87,936
Rent and rates	-	65,461	65,461	(9,777)
Insurance	-	47,022	47,022	46,124
Security and transport	-	9,127	9,127	9,520
Bank interest and charges	-	2,617	2,617	3,725
Pension finance costs	-	43,000	43,000	36,000
Other support costs	-	433,213	433,213	395,923
	-	2,244,102	2,244,102	1,826,890
<b>Total</b>	-	6,743,060	6,743,060	5,187,325

**8. Governance Costs**

	Unrestricted Funds £	Restricted Funds £	Year ended 31 August 2014 Total £	Year Ended 31 August 2013 Total £
<b>Auditor's remuneration:</b>				
Audit of financial statements	-	10,175	10,175	7,200
Other services	-	9,842	9,842	1,500
	-	20,017	20,017	8,700

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

**9. Central Services**

The academy trust has provided the following central services to its academies during the year:

- full human resource and payroll services.
- oversight and co-ordination of financial services.
- oversight and co-ordination of estates and health and safety
- executive management.

The trust charges for these services on the following basis:

- 3.9% of GAG income for OFSTED grading good or outstanding.
- 4.9% of GAG income for OFSTED grading required improvement.
- 5.9% of GAG income for OFSTED grading serious weaknesses or worse.

The actual amounts charged during the year were as follows:

	Year Ended 31 August 2014 £
Ab Kettleby Community Primary School	5,228
Brownlow Primary School	32,233
John Ferneley College	69,165
Somerby Primary School	4,494
	<u>111,120</u>

**10. Staff costs**

Staff costs during the year were:

	Year ended 31 August 2014 £	Year Ended 31 August 2013 £
Wages and salaries	3,846,930	2,827,401
Social security costs	272,322	208,447
Pension costs	562,724	420,391
	<u>4,681,976</u>	<u>3,456,239</u>
Supply teacher costs	72,290	71,392
	<u>4,754,266</u>	<u>3,527,631</u>

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows:

	Year ended 31 August 2014 No.	Year Ended 31 August 2013 No.
<b>Charitable activities</b>		
Teachers	110	77
Administration and support	60	34
Management	10	5
	<u>180</u>	<u>116</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**10. Staff costs (continued)**

The number of employees whose emoluments fell within the following bands was:

	Year ended 31 August 2014 No.	Year Ended 31 August 2013 No.
£ 60,001 - £ 70,000	1	2
£ 70,001 - £ 80,000	1	0
£100,001 - £110,000	0	1
£110,000 - £120,000	1	0

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £19,756 (2013: £32,675).

One of the above employees participated in the Local Government Pension Scheme. During the year ended 31 August 2014, pension contributions for this staff member amounted to £12,644 (2013: £nil)

**11. Related Party Transaction - Trustees' remuneration and expenses**

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

	Year ended 31 August 2014 £	Year ended 31 August 2013 £
C J Robinson, CEO and accounting officer	110,699	106,148

During the year ended 31 August 2014, pension contributions were made of £9,310 (2013: £14,502) for C J Robinson.

L Umbleja, (staff trustee)	£20,001 - £25,000 (2013: £40,001 - £45,000)
F Macdonald, (staff trustee)	£10,001 - £15,000 (2013: £10,000 - £15,000)
D Harris, (resigned as trustee 27 June 2013)	£nil (2013: £35,001 - £40,000)
D Turrell (staff trustee)	£25,000 - £30,000 (2013: £nil)
A Bailey (staff trustee)	£15,000 - £20,000 (2013: £nil)

The staff trustees are participated in either the Teachers' Pension Scheme or Local Government Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff trustees amounted to £11,551 (2013: £9,108).

During the year ended 31 August 2014, one trustee received travel expenses amounting to £227 (2013: £nil).

Other related party transactions involving the trustees are set out in note 25.

**12. Trustees' and Officers' Insurance**

In accordance with normal commercial practice, the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,243 (2013: £1,380).

The cost of this insurance is included in the total insurance cost.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

**13. Tangible Fixed Assets**

	Long leasehold land and buildings £	Fixtures and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2013	19,725,330	108,799	580,170	26,676	20,440,975
Transfer on conversion (note 26)	3,119,000	-	-	-	3,119,000
Additions	-	17,808	6,337	3,699	27,844
Disposals	-	(1,238)	-	-	(1,238)
At 31 August 2014	22,844,330	125,369	586,507	30,375	23,586,581
<b>Depreciation</b>					
At 1 September 2013	647,020	20,575	470,246	6,337	1,144,178
Charged in year	368,427	15,992	95,552	2,742	482,713
Disposals	-	(1,238)	-	-	(1,238)
At 31 August 2014	1,015,447	35,329	565,798	9,079	1,625,653
<b>Net book values</b>					
At 31 August 2014	21,828,883	90,040	20,709	21,296	21,960,928
At 31 August 2013	19,078,310	88,224	109,924	20,339	19,296,797

**14. Debtors**

	2014 £	2013 £
Trade debtors	2,626	1,089
VAT recoverable	81,883	19,019
Prepayments and accrued income	82,848	34,385
Other debtors	2,923	10,410
	<u>170,280</u>	<u>64,903</u>

**15. Creditors: amounts falling during within one year**

	2014 £	2013 £
Trade creditors	319,541	106,606
PAYE & NIC creditor	98,290	62,292
Other creditors	108,540	55,827
Accruals and deferred income	85,344	128,334
	<u>611,715</u>	<u>353,059</u>
<b>Deferred Income</b>		
Deferred income at 1 September 2013	54,323	-
Amount released in the year	(54,323)	-
Resources deferred in the year	22,005	54,323
Deferred income at 31 August 2014	<u>22,005</u>	<u>54,323</u>

The deferred income of £22,005 (2013: £54,323) relates to trip money paid in advance by parents for events occurring in the year ended 31 August 2015.



**MOWBRAY EDUCATION TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

**16. Funds**

	Balance at 1 September 2013 £	Income resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,510,228	(5,739,437)	229,209	-
Local authority grants	-	492,927	(492,927)	-	-
Pension reserve	(1,050,000)	(320,000)	(48,000)	(664,000)	(2,082,000)
	(1,050,000)	5,683,155	(6,280,364)	(434,791)	(2,082,000)
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	37,486	40,047	(4,914)	(12,203)	60,416
Long leasehold land and building conversion	19,037,980	3,119,000	(368,427)	-	21,788,553
Other tangible assets on conversion	148,418	-	(104,194)	-	44,224
Capital expenditure from other funds	72,913	-	(5,178)	-	67,735
	19,296,797	3,159,047	(482,713)	(12,203)	21,960,928
<b>Total restricted funds</b>	18,246,797	8,842,202	(6,763,077)	(446,994)	19,878,928
<b>Unrestricted funds</b>					
General funds	448,878	372,623	(144,965)	(217,006)	459,530
<b>Total unrestricted funds</b>	448,878	372,623	(144,965)	(217,006)	459,530
<b>Total funds</b>	18,695,675	9,214,825	(6,908,042)	(664,000)	20,338,458

The specific purposes for which the funds are to be applied are as follows:

**Restricted general funds**

This fund represents grants received for the Academy's operational activities and development. This includes the pension reserve which represents the potential liability due by the academy at the year end.

**Fixed asset fund**

This fund represents the net book value of fixed assets that the academy have purchased out of grants received and have been transferred on conversion.

**Unrestricted funds**

The unrestricted funds represent funds available to the Trustees to apply for the general purposes of the Academy.

**MOWBRAY EDUCATION TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

**16. Funds (continued)**

**Transfers**

The transfers represent the capital grant transferred to GAG funding of £12,203 spent on repairs and maintenance and £217,006 represents funds transferred from unrestricted funds to support educational operations.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

**Analysis of academies by fund balance**

Fund balances at 31 August 2014 were allocated as follows:

	Year ended 31 August 2014 £	Year Ended 31 August 2013 £
Ab Kettleby Community Primary School	(38,168)	-
Brownlow Primary School	10,061	-
John Ferneley College	(114,645)	448,878
Somerby Primary School	47,189	-
Mowbray Education Trust	555,093	-
Total before fixed asset fund and pension reserve	459,530	448,878
Restricted fixed asset fund	21,960,928	19,296,797
Pension reserve	(2,082,000)	(1,050,000)
	<u>20,338,458</u>	<u>18,695,675</u>

Ab Kettleby's deficit funds at year end are attributed almost entirely to the loss on conversion arising as a result of a £10k balance on a loan that crystallised upon conversion. The Trust has entered into a repayment schedule with the Local Authority for settlement over terms to match the original financial arrangement. There was also a outstanding debtor in relation to an insurance claim which crystallised at conversion, but for which 50% of funds have been received post year end. The Board have approved a budget that is in line with projected revenues this year.

John Ferneley's deficit position at year end is solely created by the transfer of reserves as at 31 August 2013 being transferred to the Trust reserves during the year following the introduction of a new Reserves policy. Given the rapid change in student numbers over the last few years and the associated revenue being lagged for a period of 12 months the John Ferneley position was budgeted to be a loss for 2013/14. In addition, there were several strategic projects which used reserves during the year such as the resurfacing of the playing fields. The Board have approved a budget for John Ferneley for this year that includes a contingency of £100,000, or, 2% of revenues.

**MOWBRAY EDUCATION TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

**16. Funds (continued)**

**Analysis of academies by cost**

Expenditure incurred by each academy during the year was as follows:

	Teaching & Educational Support Staff costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding depreciation) £	Total £
Ab Kettleby Community Primary School	99,970	13,350	8,099	44,390	165,809
Brownlow Primary School	683,403	65,104	29,216	129,547	907,270
John Ferneley College	3,098,697	630,816	128,105	1,259,637	5,117,255
Somerby Primary School	78,509	7,348	12,869	31,257	129,983
Mowbray Education Trust	-	77,068	-	27,945	105,013
	<u>3,960,579</u>	<u>793,686</u>	<u>178,289</u>	<u>1,492,776</u>	<u>6,425,330</u>

**17. Analysis of net assets between funds**

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	21,969,928	21,960,928
Net current assets	459,530	-	-	459,530
Pension scheme liability	-	(2,082,000)	-	(2,082,000)
<b>Total net assets</b>	<u>459,530</u>	<u>(2,082,000)</u>	<u>21,960,928</u>	<u>20,338,458</u>

**18. Financial commitments**

At 31 August 2014, the academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<u>Other</u>		
Expiring within one year	2,419	3,321
Expiring within two and five years inclusive	104,724	39,628
	<u>107,143</u>	<u>42,949</u>

**MOWBRAY EDUCATION TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**19. Reconciliation of net expenditure to net cash inflow from operating activities**

	Year ended 31 August 2014 £	Year ended 31 August 2013 £
Net expenditure	2,306,783	(502,277)
Cash impact of transfer on conversions (note 26)	(2,885,851)	-
Depreciation (note 13)	482,713	559,184
Capital grants from DfE and other capital income	(40,047)	(20,554)
Interest receivable (note 4)	(4,651)	(2,737)
FRS 17 pension cost less contributions payable (note 24)	5,000	-
FRS 17 pension finance income (note 24)	43,000	36,000
(Increase)/decrease in debtors	(105,377)	11,975
Increase in creditors	242,773	121,940

**Net cash inflow from operating activities**

	44,343	203,531
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**20. Returns on investments and servicing of finance**

	Year ended 31 August 2014 £	Year Ended 31 August 2013 £
Interest received	4,651	2,737

**Net cash inflow from returns on investment and servicing of finance**

	4,651	2,737
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**21. Capital expenditure and financial investment**

	Year ended 31 August 2014 £	Year Ended 31 August 2013 £
Purchase of tangible fixed assets	(27,844)	(108,132)
Capital grants from DfE/EFA	40,047	20,554

**Net cash inflow/(outflow) from capital expenditure and financial investment**

	12,203	(87,578)
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**22. Analysis of changes in net funds**

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash in hand and at bank	737,034	163,931	900,965

**23. Members' Liabilities**

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

**MOWBRAY EDUCATION TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**24. Pension and similar obligations**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Leicestershire County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £38,402 (2013: £53,765) were payable to the schemes at 31 August and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2014.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**24. Pension and similar obligations (continued)**

**Teachers' Pension Scheme (*continued*)**

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £362,256 (2013: £279,391).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

**24. Pension and similar obligations (continued)**

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £254,000 (2013: £184,000) of which employer's contributions totalled £195,000 (2013: £141,000) and employees' contributions totalled £59,000 (2013: £43,000).

**Principal Actuarial Assumptions**

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	4.4%	5.1%
Rate of increase for pensions in payment / inflation	2.6%	2.8%
Discount rate for scheme liabilities	3.7%	4.6%
Inflation assumption (CPI)	2.6%	2.8%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.2	20.9
Females	24.3	23.3
<i>Retiring in 20 years</i>		
Males	24.2	23.3
Females	26.6	25.6

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014	Fair value at 31 August 2014 £	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	6.3%	1,186,000	6.6%	700,000
Bonds	3.3%	288,000	3.8%	285,000
Property	4.5%	169,000	4.7%	99,000
Other assets	3.3%	51,000	3.6%	11,000
<b>Total market value of assets</b>		1,694,000		1,095,000
Present value of scheme liabilities				
Funded		(3,776,000)		(2,145,000)
<b>Deficit in the scheme</b>		(2,082,000)		(1,050,000)

The expected return on assets is a weighted average of the assumed long term returns of various asset classes.

The actual return on scheme assets was £172,000. (2013: £103,000)



**MOWBRAY EDUCATION TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**24. Pension and similar obligations (continued)**

**Amounts recognised in the statement of financial activities**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Current service cost (net of employee contributions)	200,000	138,000
Losses on curtailments	-	3,000
<b>Total operating charge</b>	<b>200,000</b>	<b>141,000</b>

**Analysis of pension finance income/(costs)**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Expected return on pension scheme assets	79,000	43,000
Interest on pension liabilities	(122,000)	(79,000)
<b>Pension finance costs</b>	<b>(43,000)</b>	<b>(36,000)</b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £1,112,000 loss (2013: £128,000 loss).

**Movements in the present value of defined benefit obligations were as follows:**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2013</b>	<b>2,145,000</b>	<b>1,842,000</b>
Current service cost	200,000	138,000
New academies on conversion	992,000	-
Employee contributions	59,000	43,000
Actuarial loss	296,000	40,000
Interest cost	122,000	79,000
Losses on curtailments	-	3,000
Estimated benefits paid	(38,000)	-
<b>At 31 August 2014</b>	<b>3,776,000</b>	<b>2,145,000</b>

**Movements in the fair value of academy's share of scheme assets:**

	<b>2014</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2013</b>	<b>1,095,000</b>	<b>808,000</b>
New academies on conversion	453,000	-
Expected return on assets	79,000	43,000
Actuarial gain	(149,000)	60,000
Employer contributions	195,000	141,000
Employee contributions	59,000	43,000
Estimated benefits paid	(38,000)	-
<b>At 31 August 2014</b>	<b>1,694,000</b>	<b>1,095,000</b>

The estimated value of employer contributions for the year ended 31 August 2015 is £146,000.



**MOWBRAY EDUCATION TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

**24. Pension and similar obligations (*continued*)**

The three year history of experience adjustments is as follows:

	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(3,776,000)	(2,145,000)	(1,842,000)
Fair value share of scheme assets	1,694,000	1,095,000	808,000
<b>Deficit in the scheme</b>	<b>(2,082,000)</b>	<b>(1,050,000)</b>	<b>(1,034,000)</b>
 <b>Experience adjustments on share of scheme assets</b>	 <b>(149,000)</b>	 <b>60,000</b>	 <b>6,000</b>
 <b>Experience adjustments on scheme liabilities</b>	 <b>238,000</b>	 <b>-</b>	 <b>-</b>

**25. Related Party Transactions**

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

No related party transactions took place in the year.

**26. Conversion on an academy company**

On 1 April 2014 three schools converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Mowbray Education Trust Limited from Leicestershire County Council Local Authority for £nil consideration.

The three schools transferred were as follows:

Ab Kettleby Community Primary School  
Brownlow Primary School  
Somerby Primary School

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted General funds £	Restricted fixed asset funds £	Total £
Long leasehold buildings	-	-	3,119,000	3,119,000
Cash surplus on LA funds	102,734	-	-	102,734
Creditor due on Ab Kettleby Community Primary School	(15,883)	-	-	(15,883)
LGPS pension deficit	-	(320,000)	-	(320,000)
<b>Net assets</b>	<b>86,851</b>	<b>(320,000)</b>	<b>3,119,000</b>	<b>2,885,851</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**27. Post balance sheet event**

On 1 October 2014 The Grove Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Mowbray Education Trust Limited from the Leicestershire County Council the local authority for £nil consideration.

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO MOWBRAY EDUCATION TRUST LIMITED AND THE  
EDUCATION FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Mowbray Education Trust Limited (formerly John Ferneley College Academy Trust) during the period ended 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Mowbray Education Trust Limited (formerly John Ferneley College Academy Trust) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Mowbray Education Trust Limited (formerly John Ferneley College Academy Trust) and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Mowbray Education Trust Limited (formerly John Ferneley College Academy Trust) and the EFA for our review work for this report, or for the opinion we have formed.

**Respective responsibilities of the Mowbray Education Trust Limited (formerly John Ferneley College Academy Trust) accounting officer and the reporting accountants**

The accounting officer is responsible, under the requirements of Mowbray Education Trust Limited (formerly John Ferneley College Academy Trust)'s funding agreement with the Secretary of State for Education dated 11 July 2011 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies: Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO MOWBRAY EDUCATION TRUST LIMITED AND THE  
EDUCATION FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Baker Tilly UK Audit LLP*

Date 17/12/14

**Baker Tilly UK Audit LLP**  
**Chartered Accountants**

Rivermead House  
7 Lewis Court  
Grove Park  
Enderby  
Leicestershire  
LE19 1SD