

The Moorlands Primary Federation

Trustees report and financial statements

For the Year Ended 31 August 2017

The Moorlands Primary Federation

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**The Moorlands Primary Federation
(A Company Limited by Guarantee)**

**Reference and administrative details
For the Year Ended 31 August 2017**

Members

Church of England Central Education Trust
Ms C Richardson
Mr P Chell
Ms K Hulse
Mr J Standen Ratcliffe

Trustees

Mr P Chell, Chair of Trustees¹
Mr J Eccles, Executive Head Teacher, Accounting officer¹
Ms L Smith (resigned 17 May 2017)
Mr I Walford (resigned 31 August 2017)
Mrs M Bateman (appointed 21 June 2017)
Mr N Chesters (appointed 29 June 2017)
Mr B Fabi (appointed 18 October 2017)
Mr S Hill¹
Mr J Ratcliffe¹
Mr L Yates (appointed 8 December 2016)
Mr S Langridge (appointed 18 October 2017)
Mrs T Perrins (appointed 5 October 2017)
Ms K Hulse¹

¹ Members of the HR and Finance Committee

Company registered number

09378112

Company name

The Moorlands Primary Federation

Principal and registered office

St Werburgh's C.E.(A) Primary School, Holt Lane, Kingsley, Stoke-on-Trent, Staffordshire, ST10 2BA

Senior management team

J Eccles, Executive Head Teacher
A Brayford, Head Teacher at St. Werburgh's C. E. (A) Primary School
M Stanlake, Assistant Head Teacher at St Werbergh's C.E (A) Primary school
K Abbots, School Leader Dilhorne Endowed C. E. (A) Primary School
N Ainsworth, School Leader at The Valley Primary School
A Cooper, Federation Administration Leader
H Coates, Key Stage One Co-ordinator at St Werburghs

Independent auditors

Dains LLP, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke on Trent, ST1 5RQ

**The Moorlands Primary Federation
(A Company Limited by Guarantee)**

**Reference and administrative details of the academy, its trustees and advisers
For the Year Ended 31 August 2017**

Advisers (continued)

Bankers

Lloyds Bank, PO Box 1000, Andover, BX1 1LT

Solicitors

Geldards, Pride Place, Derby, DE24 8QR

The Moorlands Primary Federation

Trustees' report For the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Structure, governance and management

a. Constitution

The Moorlands Primary Federation was incorporated on 1 September 2015 as a company limited by guarantee (company number 9378112) and an exempt charity. On 1 September 2015, St. Werburgh's C. E. (A) Primary School, Dilhorne Endowed C. E. (A) Primary School and The Valley Primary School converted from Local Authority schools to The Moorlands Primary Federation. The Multi-Academy Trust was formed with the agreement of the full Governing Body and adoption of the Memorandum and Articles of Association.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of The Moorlands Primary Federation are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Moorlands Primary Federation.

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

b. 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.

c. Method of recruitment and appointment or election of Directors

Directors are appointed by our Members. The term of office for any Director is four years and thereafter they may be re-appointed. The make-up of the Board includes experienced professionals, many of whom have a detailed understanding of the operational and legal requirements of running a large institution. New Directors are expected to be able to bring a track record of governance with them.

d. Policies and procedures adopted for the induction and training of Directors

An induction programme is in place for new Directors which enables them to gain an understanding of the ethos, values and strategic direction of the Company, as well as the responsibilities of charity Directors. Directors are also encouraged to make visits to each Academy and participate in governance training programmes.

The Moorlands Primary Federation

Trustees' report (continued) For the Year Ended 31 August 2017

e. Organisational structure

The Moorlands Primary Federation has established a unified governance structure to enable its efficient running. The structure consists of five Members and six Directors. The Trust Board is then divided into the following committees: Human Resources and Finance; Pupil Welfare and Achievement, Property, Health and Safety and Appeals. The aim of the governance structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for making major decisions about the strategic direction of the Company, ensuring that its aims are met and its ethos is maintained. Specifically, this includes setting general policy, adopting an annual plan and budget, monitoring the Company's financial performance and educational outcomes, making senior staff appointments and approving major investment programmes.

The Federation Leadership Team consists of the senior management at each Academy. These teams are responsible for the day-to-day operation of the Academies, in particular organising the teaching staff, facilities and students.

A comprehensive scheme of delegated authority laid down by the Directors defines the various limits of financial commitment which can be incurred by the Executive. It also sets out how detailed financial management should be carried out in each Academy.

f. Pay policy for key management personnel

The Trust uses amended version of the Staffordshire County Council Pay Policy, amended by our Human resources Advisor – Principal HR Partner Limited. We also use Teacher and support staff pay scales and profiles from Staffordshire County Council.

The salary of all staff including members of the leadership team is established by our Human Resources and Finance Committee. The leadership team is performance managed by our Executive Headteacher and the Executive Headteacher's performance management is reviewed by our external provider.

g. Related Parties and other Connected Charities and Organisations

The Moorlands Primary Federation currently offers Leadership Support to Great Wood Primary School and Bishop Rawle C. E. (A) Primary School. The Leadership Support at Great Wood Primary School commenced January 2015 and ceased upon the academy conversion date of 1 September 2017. The Leadership Support at Bishop Rawle C. E. (A) Primary School commenced February 2016 and ceased upon the academy conversion date of 1 September 2017.

Objectives and Activities

a. Objects and aims

- To provide high-quality education in each of our schools;
- To serve our respective communities and fulfil the Statement of Entitlement from the Board of Education/National Society;
- Provide every child with new life-enriching experiences, instilling a passion and desire for learning;
- Develop a highly-skilled teaching and learning team sharing good practice;
- Further develop our MAT into a robust and resilient high-performing organization;
- To secure the financial future of all our schools including the exploration of new business partnerships;
- As a sponsor academy, offer schools strategic leadership and a 'system' of school improvement.

**The Moorlands Primary Federation
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**Trustees' report (continued)
For the Year Ended 31 August 2017**

b. Objectives, strategies and activities

- Each school will have a dynamic School Leader who will be responsible for the day-to-day running of each site. In our larger schools, we will support our School Leaders with Deputies/Assistants, Senior Leaders and Key Stage Leaders;
- School Leaders will be accountable to the Principal and Executive Principal who will be accountable to The Moorlands Primary Federation Trust Board;
- Appropriate School policies will be shared to avoid unnecessary repetition and to ensure best practice, whilst not 'cloning' each school, as the uniqueness should be celebrated;
- Our Federation Subject Leaders (FSL) - including SLE (Specialist Leader of Education) and subject leaders will be proactive in their work to raise standards (plan, do, review). Their work will be organised via our annual Cycle of School Improvement strategic plan. The FSLs will report to the Headteacher and Executive Headteacher (regularly) and Teaching and Learning Committee on a termly basis;
- Every child will be set individual, realistic yet challenging attainment targets and their progress towards these targets will be regularly monitored and reviewed;
- Children who do not make expected progress within a designated time, will receive bespoke high-quality intervention;
- Highly-skilled Learning Support staff will be deployed where necessary, to bring about rapid progress;
- Parents and carers will be supported to 'co-educate' as we equip them with insightful information on their child's achievement to date and instruction on how best to support them further, through individual school Parent Forums, facilitate greater depth and higher-quality communication;
- Our teaching and learning team will be held accountable for pupil achievement through half-termly Pupil Progress Reviews linked to robust Performance Management;
- The assessment of all children will be fit for purpose, thorough, accurate and lead future learning. Our use of teacher assessment standardisation, moderation, standardised testing, plus extensive collaborative work, quality assures the accuracy of our assessment system;
- As a MAT we will provide a bespoke broad and balanced curriculum that provides high-quality opportunities for all children – meeting the needs of our learners.

c. Public benefit

Consideration has been given to Charity Commission guidance on public benefit when reviewing these objectives, aims and activities.

**The Moorlands Primary Federation
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**Trustees' report (continued)
For the Year Ended 31 August 2017**

Strategic report

Achievements and performance

a. Key performance indicators

Reception class Data 2017

	St Werburghs (14)	Dilhome (8)	The Valley (6)	Great Wood (11)	Bishop Rawle (16)	National 2016
% of good level of development achieved (*)	71%	75%	50%	82%	81%	69%
EYFS Profile Average 2017	38	35	34	35.8	34.5	34
% of 'expected' or 'exceeding in reading	71%	88%	67%	82%	81%	79%
% of 'expected' or 'exceeding in writing	71%	75%	50%	82%	81%	72%
% of 'expected' or 'exceeding in number	71%	75%	83%	91%	81%	78%
% of children attaining expected or exceeding in all 17 areas of learning	71%	75%	50%	82%	81%	67%

(*)A 'Good Level of Development' is achieved when children attain 'expected' or 'exceeding' grades in all Prime Areas and all Literacy and Mathematics areas.

Year 1 Phonics Screening Results

Year 1 Phonics Screening Results					
	St Werburghs (15)	Dilhome (12)	The Valley (8)	Great Wood (15)	Bishop Rawle (16)
Year 1 2017 results	93%	58%	75%	80%	81%
Year 2 resit test results	100% (1)	0% (3)	50% (4)	100% (4)	100% (5)
Year 3+ resit test results	0	0	0% (1)	0	0
National 2017 results					

The Moorlands Primary Federation

Trustees' report (continued)
For the Year Ended 31 August 2017

Year 2 Teacher Assessment Data 2017

Reading						
	St. Werburgh's (24)	The Valley (7)	Dilhorne (7)	Great Wood (18)	Bishop Rawle (23)	
Teacher Assessment (working at expected or above)	92% (22/24)	71% (5/7)	57% (4/7)	83% (15/18)	83% (19/23)	
Below expected progress	8% (2/24)	14% (1/7)	0%	33% (6/18)	0%	
Expected progress	84% (20/24)	76% (6/7)	100%	44% (8/18)	73% (16/22)	
Above expected progress	8% (2/24)	0%	0%	22% (4/18)	27% (6/22)	

Writing						
	St. Werburgh's (24)	The Valley (7)	Dilhorne (7)	Great Wood (18)	Bishop Rawle (23)	
Teacher Assessment (working at expected or above)	88% (21/24)	43% (3/7)	57% (4/7)	78% (14/18)	70% (16/23)	
Below expected progress	4% (1/24)	43% (3/7)	14% (1/7)	33% (6/18)	9% (2/22)	
Expected progress	84% (20/24)	57% (4/7)	86% (6/7)	50% (9/18)	63% (10/22)	
Above expected progress	12% (3/24)	0%	0%	17% (3/18)	27% (6/22)	

SPaG						
	St. Werburgh's (24)	The Valley (7)	Dilhorne (7)	Great Wood (18)	Bishop Rawle (23)	
Test Results (100 or above)	67% (16/24)	71% (5/7)	57% (4/7)	78% (14/18)	65% (15/23)	

Maths						
	St. Werburgh's (24)	The Valley (7)	Dilhorne (7)	Great Wood (18)	Bishop Rawle (23)	
Teacher Assessment (working at expected or above)	96% (23/24)	71% (5/7)	57% (4/7)	78% (14/18)	83% (19/23)	
Below expected progress	8% (2/24)	14% (1/7)	4% (1/7)	28% (5/18)	5% (1/22)	
Expected progress	79% (19/24)	71% (5/7)	86% (6/7)	39% (7/18)	59% (13/22)	
Above expected progress	12% (3/24)	14% (1/7)	0%	33% (6/18)	36% (8/22)	

Science						
	St. Werburgh's (24)	The Valley (7)	Dilhorne (7)	Great Wood (15)	Bishop Rawle (23)	
Teacher Assessment (working at expected or above)	96% (23/24)	71% (5/7)	57% (4/7)	78% (14/18)	83% (19/23)	

The Moorlands Primary Federation

Trustees' report (continued)
For the Year Ended 31 August 2017

St. Werburgh's C.E. (A) Primary School: 0 pupils are listed on school SENDs Register
The Valley Primary School: 2 pupils 29% are listed on school SENDs Register
Dilhorne Endowed C.E (A) Primary School: 2 pupils 29% are listed on school SENDs Register
Great Wood Primary School: 1 pupil 6% are listed on school SENDs Register.
Bishop Rawle C. E. (A) Primary School: 7 pupils or 30% are listed on school SENDs Register.

Key Stage 1 LA Data

Reading 79.4 % GD 28
Writing 78% GD 17
Maths 78% GD 22
Science 85%
Comined 67%

Year 6 Data 2017

Reading						
	St. Werburgh's (23)	The Valley (5)	Dilhorne (3)	Great Wood (14)	Bishop Rawle (19)	National
Test Results (100 or above)	70%*	60%	33%	100%	63% 67% excluding star	71%
Teacher Assessment (working at expected or above)	78%	80%	33%	100%	84%	
Average Scaled Score	104	98	95	107	92	104

Writing						
	St. Werburgh's (23)	The Valley (5)	Dilhorne (3)	Great Wood (14)	Bishop Rawle (19)	National
Teacher Assessment (working at expected or above)	78% 17% GD	80% 40% GD	33% 0%	78% 14% GD	84% 21% GD	76%

Spelling Punctuation and Grammar						
	St. Werburgh's (23)	The Valley (5)	Dilhorne (3)	Great Wood (14)	Bishop Rawle (19)	National
Test Results (100 or above)	74%*	80%	33%	93%	74%	77%
Average Scaled Score	106	104	96	106	104	106

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**Trustees' report (continued)
For the Year Ended 31 August 2017**

Maths							
	St. Werburgh's (23)	The Valley (5)	Dilhorne (3)	Great Wood (14)	Bishop Rawle (19)	National	
Test Results (100 or above)	74%	40%	67%	100%	74% 78% exclude star	75%	
Teacher Assessment (working at expected or above)	65%	80%	67%	100%	84%		
Average Scaled Score	103	98	97	109	100	104	

Reading, Writing and Maths combined							
	St. Werburgh's (23)	The Valley (5)	Dilhorne (4)	Great Wood (14)	Bishop Rawle (19)	National	
	61%	20%	33%	93%	58%	61%	

St. Werburgh's C. E. (A) Primary School: 2 pupils or 9% of the cohort are listed on the school SENDs register.
 The Valley Primary School: 1 pupil or 20% of the cohort is listed on school SENDs Register.
 Dilhorne Endowed C. E. (A) Primary School: 2 pupils or 67% of the cohort are listed on school SENDs Register.
 Great Wood Primary School: 1 pupil or 7% of the cohort is listed on school SENDs Register.
 Bishop Rawle C. E. (A) Primary School: 6 pupils or 32% of the cohort are listed on school SENDs Register.

Staffordshire LA Data 2017

Read – 73.4 GD 25
 Writing – 77.6 GD 18.6
 Maths – 75.7 GD 22
 Spag - 77.5 GD 30.6
 Combined - 62.7 GD 8.7

b. Going concern

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

c. Financial review

The Trust has a strong financial governance oversight. The Trust has an annual financial health check provided by The Cheadle Academy. They review the financial systems and procedures in place and their findings are reported back to the Trustees and Directors of the Trust.

The Human Resources and Finance committee receives comprehensive termly reports.

A strict scheme of delegation is adhered to.

**The Moorlands Primary Federation
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**Trustees' report (continued)
For the Year Ended 31 August 2017**

Financial review (continued)

The academy's key source of funding is the General Annual Grant (GAG) from the Education and skills funding agency (ESFA). Funding from the ESFA is shown as restricted funds in the statement of Financial Activities. During the year to 31 August 2017, the Academy received GAG of £1,114,740 in addition to other income sources. The analysis of specific grants and income received can be seen within notes 2 to 5 to the financial statements.

During the year to 31 August 2017, total resources expended are £1,526,073 excluding depreciation. Depreciation of £50,475 has been charged during the year against restricted fixed asset fund.

The excess of income over expenditure for the period (excluding the movement in the pension reserve and restricted fixed asset funds) was £19,902.

At the 31 August 2017, the net book value of tangible fixed assets totalled £1,253,742 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to the students of the Academy.

a. Reserves policy

Any reserves are held in accordance with the requirements laid down in the Master Funding Agreement and by the Education Funding Agency. The directors will review the level of reserves and the policy for reserves annually.

Current reserves at the 31 August 2017 amount to £327,976 (Excluding the pension reserve and restricted fixed asset fund).

b. Investments policy

The Moorlands Primary Federation has a policy on investment. It has agreed by the Directors that there is one main bank account, one investment account, and three separate imprest accounts (one for the Valley, St Werburgh's and Dilhorne).

Purpose and scope

The purpose of the Investment Policy is to set out the processes by which The Moorlands Primary Federation trustees will meet their duties under the Articles of Association and Academies Financial Handbook issued by the ESFA to invest monies surplus to operational requirements in furtherance of the Academy's charitable aims and to ensure that investment risk is properly and prudently managed.

Definition of duties

The Academy's Articles gives Trustees the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects."

Whilst the Board of Trustees (Governing Body) has responsibility for the Trust's finances, the Governing Body delegates responsibility to the Finance and HR Committee:

To approve the Investments Policy to manage, control and track financial exposure, and ensure value for money; to review the trust's investments and investment policy on a regular basis.

**The Moorlands Primary Federation
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**Trustees' report (continued)
For the Year Ended 31 August 2017**

Definition of duties (continued)

The Federation Admin Leader is responsible for producing reliable cash flow forecasts as a basis for decision making. They are responsible for making investment recommendations that comply with this Policy and for providing sufficient management information to the Finance and HR Committee so it can review and monitor investment performance.

Objectives

The investment objectives are:

- to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest funds surplus to operational need based on all financial commitments being met without the Academy bank account becoming overdrawn.
- By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Academy, commanding broad public support.

Investment strategy

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £500,000 with any PRA authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA)). Whilst this exceeds the protection limit of £70,000 provided by the FCA it is accepted that it is not always practicable to find a sufficient number of investments of this size that meet the prudent criteria outlined in this policy.

Spending and liquidity policy

Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts produced by the Federation Admin Leader. The cash flow forecasts will take account of the annual budget and spending plans approved by the Governing Body and be updated on a monthly basis.

A sufficient balance must be held in the current account so that the Academy's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Academy.

Monitoring and review

The Academy has authorized signatories, two of which are required to sign instructions to the deposit taking institution. The investment account will be able to accept funds from and return funds to The Moorlands Primary Federation bank account only.

The Federation Admin Leader will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Finance and HR Committee at appropriate intervals, depending on the terms of the investments. For example if investments are held for one year then an annual report is appropriate.

**The Moorlands Primary Federation
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**Trustees' report (continued)
For the Year Ended 31 August 2017**

c. Principal risks and uncertainties

The Directors have assessed the major risks to which The Moorlands Primary Federation is exposed and are working to mitigate and eliminate these risks. In order to do this the risk management process involves the production of a detailed risk register accompanied by a range of mitigating strategies including ensuring policies are up to date, and that relevant members of Federation Leadership Team are assigned to own each risk. The internal audit process is designed to test these mitigating strategies.

The remit of the Audit and Risk Committee is to ensure risks are identified, mitigating activities are in place and audited. The Directors also play a key role in risk mitigation working alongside the Headteacher, Executive Headteacher and School Leaders to highlight exposures and ensure processes are in place to manage them.

Main areas of focus are:

- Long term financial planning;
- Health and Safety;
- Safeguarding;
- Business Continuity planning;
- Financial Fraud;
- Financial Risks and Uncertainties – including future funding environment, impact of inflation, pension scheme deficits, student numbers on roll, and building condition.

The main risks facing the company are:

- Changes to Government policy in relation to both education and funding;
- Volatility in pupil recruitment.

The overall risk register is comprehensive and deals with a wider range of matters.

Plans for future periods

a. Future developments

The MAT welcomed Great Wood Primary School on 1 September 2017 as a converter academy.

The MAT will sponsor Bishop Rawle C. E. (A) Primary School from 1 September 2017.

The Moorlands Primary Federation

**Trustees' report (continued)
For the Year Ended 31 August 2017**

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2017 and signed on its behalf by:



**Mr P Chell
Chair of Trustees**

**The Moorlands Primary Federation
(A Company Limited by Guarantee)**

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Headteacher, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Moorlands Primary Federation and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Chell, Chair of Trustees	6	6
Mr J Eccles, Executive Head Teacher, Accounting officer	6	6
Ms L Smith	2	4
Mr I Walford	4	6
Mrs M Bateman	1	1
Mr N Chesters	1	1
Mr S Hill	5	6
Mr J Ratcliffe	6	6
Mr L Yates	4	5
Ms K Hulse	5	6

The Human Resources and Finance Committee is a sub-committee of the main board of trustees. Its purpose includes:

- Establishing and monitoring procedures and policies for sound budgetary control
- Reviewing and developing staffing policies and procedures
- Reporting regularity on the schools finances to the whole Governing Body
- Formulating and reviewing the school's staffing structure and reviewing payscales on an annual basis.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Chell, Chair of Trustees	4	5
Mrs K Hulse	3	5
Mr J Standen Ratcliffe	5	5
Mr S Hill	5	5
Mr J Eccles, Executive Head Teacher, Accounting officer	4	5

The Moorlands Primary Federation

Governance Statement (continued)

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the trust has delivered improved value for money during the year by:

The Trust always seeks best value in all business transactions. When possible, comparable quotes and prices are obtained and reviewed by the school leadership team before purchases are made. Service Level Agreements are reviewed at the end of contract and before any new agreements have been made, negotiations occur over cost and service level. Alternative costings and services are sought adhering to 'best value' principles.

Negotiating as a Trust of schools has enabled reductions in cost of agreements such as: broadband providers; grounds maintenance; photocopier contracts and supplies such as paper and exercise books.

The Trust has a strong financial governance oversight. The Trust has an annual internal audit and financial health check provided by The Cheadle Academy and Dains Accountants. They review the financial systems and procedures in place and their findings are reported back to the Trustees and Directors of the Trust.

The Human Resources and Finance committee received comprehensive termly reports.

A strict scheme of delegation is adhered to.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 The Moorlands Primary Federation for the year 1 September 2016 to 31 August 2017 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 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 ongoing process for identifying, evaluating and managing the trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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 Moorlands Primary Federation

Governance Statement (continued)

The Risk and Control Framework

The 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 Human Resources and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint The Cheadle Academy as internal auditor.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of bank reconciliations

Review of Effectiveness


As accounting officer, the Executive Headteacher 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 Mrs Sandra Carr (Finance Manager) The Cheadle Academy
- the work of the external auditors;
- the work of the Office Managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Responsible Officer 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 6 December 2017 and signed on their behalf, by:


Mr P Chell
Chair of Trustees


Mr J Eccles
Accounting Officer

The Moorlands Primary Federation

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Moorlands Primary Federation I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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 ESFA.



Mr J Eccles
Accounting Officer

Date: 6 December 2017

The Moorlands Primary Federation

Statement of Trustees' responsibilities For the Year Ended 31 August 2017

The Trustees (who act as governors of The Moorlands Primary Federation 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 Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/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 6 December 2017 and signed on its behalf by:



Mr P Chell
Chair of Trustees

The Moorlands Primary Federation

Independent auditors' report on the financial statements to the members of The Moorlands Primary Federation

Opinion

We have audited the financial statements of The Moorlands Primary Federation for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Moorlands Primary Federation

Independent auditors' report on the financial statements to the members of The Moorlands Primary Federation

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

The Moorlands Primary Federation

Independent auditors' report on the financial statements to the members of The Moorlands Primary Federation

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Simon Hawkins (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date:

6.12.17

The Moorlands Primary Federation

Independent reporting accountants' assurance report on regularity to The Moorlands Primary Federation and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Moorlands Primary Federation during the year 1 September 2016 to 31 August 2017 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 Moorlands Primary Federation and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Moorlands Primary Federation and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Moorlands Primary Federation and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Moorlands Primary Federation's and the reporting accountant

The is responsible, under the requirements of The Moorlands Primary Federation's funding agreement with the Secretary of State for Education dated 24 August 2015, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. 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's income and expenditure.

The Moorlands Primary Federation

Independent reporting accountants' assurance report on regularity to The Moorlands Primary Federation and the Education and Skills Funding Agency (continued)

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 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Dains LLP

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date: *6.12.17*

The Moorlands Primary Federation

Statement of financial activities incorporating income and expenditure account
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations & capital grants:						
Donated on conversion	2	-	-	-	-	526,084
Other donations and capital grants	2	8,346	-	521,887	530,233	268,422
Charitable activities	3	-	1,454,257	-	1,454,257	1,371,013
Other trading activities	4	83,966	-	-	83,966	66,652
Investments	5	284	-	-	284	347
Total income		92,596	1,454,257	521,887	2,068,740	2,232,518
Expenditure on:						
Raising funds		75,428	-	-	75,428	58,233
Charitable activities		-	1,450,645	50,475	1,501,120	1,360,255
Total expenditure	6	75,428	1,450,645	50,475	1,576,548	1,418,488
Net income before transfers		17,168	3,612	471,412	492,192	814,030
Transfers between Funds	16	(6,641)	(34,041)	40,682	-	-
Net income / (expenditure) before other recognised gains and losses		10,527	(30,429)	512,094	492,192	814,030
Actuarial losses on defined benefit pension schemes	20	-	(8,000)	-	(8,000)	(64,000)
Net movement in funds		10,527	(38,429)	512,094	484,192	750,030
Reconciliation of funds:						
Total funds brought forward		211,210	(524,332)	1,063,152	750,030	-
Total funds carried forward		221,737	(562,761)	1,575,246	1,234,222	750,030


The notes on pages 27 to 48 form part of these financial statements.

The Moorlands Primary Federation
Registered number: 09378112

Balance sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	13		1,253,742		953,852
Current assets					
Debtors	14	289,317		88,852	
Cash at bank and in hand		767,219		508,933	
		<u>1,056,536</u>		<u>597,785</u>	
Creditors: amounts falling due within one year	15	<u>(407,056)</u>		<u>(202,607)</u>	
Net current assets			<u>649,480</u>		<u>395,178</u>
Total assets less current liabilities			<u>1,903,222</u>		<u>1,349,030</u>
Defined benefit pension scheme liability	20		<u>(669,000)</u>		<u>(599,000)</u>
Net assets including pension scheme liabilities			<u><u>1,234,222</u></u>		<u><u>750,030</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	106,239		74,668	
Restricted fixed asset fund	16	1,575,246		1,063,152	
Restricted income funds excluding pension liability		<u>1,681,485</u>		<u>1,137,820</u>	
Pension reserve		<u>(669,000)</u>		<u>(599,000)</u>	
Total restricted income funds			<u>1,012,485</u>		<u>538,820</u>
Unrestricted income funds	16		<u>221,737</u>		<u>211,210</u>
Total funds			<u><u>1,234,222</u></u>		<u><u>750,030</u></u>

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:



Mr P Chell
Chair of Trustees

The notes on pages 27 to 48 form part of these financial statements.

The Moorlands Primary Federation

Statement of cash flows
For the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>86,480</u>	<u>193,733</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		284	347
Purchase of tangible fixed assets		(350,365)	(178,339)
Capital grants from DfE/ESFA		521,887	268,219
Cash transferred on conversion to an academy trust		-	224,973
Net cash provided by investing activities		<u>171,806</u>	<u>315,200</u>
Change in cash and cash equivalents in the year		258,286	508,933
Cash and cash equivalents brought forward		<u>508,933</u>	<u>-</u>
Cash and cash equivalents carried forward	19	<u><u>767,219</u></u>	<u><u>508,933</u></u>

The Moorlands Primary Federation

Notes to the financial statements For the Year Ended 31 August 2017

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Moorlands Primary Federation constitutes a public benefit entity as defined by FRS 102.

1.2 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The Moorlands Primary Federation

Notes to the financial statements For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	0.8% straight line
Long-term leasehold buildings	-	2% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	33% straight line
Leasehold building improvements	-	10 - 25% straight line

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.11 Taxation

The academy 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 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.

The Moorlands Primary Federation

Notes to the financial statements For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

The Moorlands Primary Federation

Notes to the financial statements For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Leasehold land and Buildings

Under 125 year lease;

The long term leasehold land and buildings within the accounts relates to the academy premises which were donated to the academy on conversion on a 125 year lease from Staffordshire County Council. The leasehold land and buildings were valued using the ESFA valuation. These are being depreciated in accordance with the depreciation policies set out in note 1. No annual charge is made for the use of the land and buildings under the terms of the lease, based on management not being able to reliably measure the open market rate.

2 year licence:

The academy trust company occupies:

- (a) land provided to it by the Local Authority under a 125 year lease;
- (b) land provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

In respect of;

- (a) a figure is entered that reflects the advice taken on the value of the lease;
- (b) having considered the fact that the academy trust company occupies the land and such buildings as may be or may come to be erected in it by a mere licence that transfer to the academy no rights of control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the trust company will not be recognised on the balance sheet of the company.

The Moorlands Primary Federation

**Notes to the financial statements
For the Year Ended 31 August 2017**

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £	Total funds 2016 £
Donated on conversion	-	-	-	-	526,084
Donations	8,346	-	-	8,346	202
Capital Grants	-	-	521,887	521,887	268,220
Subtotal	8,346	-	521,887	530,233	268,422
	8,346	-	521,887	530,233	794,506
<i>Total 2016</i>	225,175	(496,000)	1,065,331	794,506	

The Moorlands Primary Federation

Notes to the financial statements
For the Year Ended 31 August 2017

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,114,740	1,114,740	1,047,811
Start-up grants	-	95,000	95,000	116,590
Other DfE/ESFA grants	-	121,952	121,952	125,918
	-	1,331,692	1,331,692	1,290,319
Other government grants				
Local authority grants	-	13,968	13,968	2,759
Special educational projects	-	58,156	58,156	27,230
	-	72,124	72,124	29,989
Other funding				
Other income	-	9,049	9,049	7,533
Catering income	-	20,137	20,137	22,492
Educational trip income	-	21,255	21,255	20,680
	-	50,441	50,441	50,705
	-	1,454,257	1,454,257	1,371,013
<i>Total 2016</i>	-	1,371,013	1,371,013	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	3,920	-	3,920	2,100
Teachers Miscellaneous income	64,183	-	64,183	39,906
Training and consultancy income	11,244	-	11,244	10,082
Other income	4,619	-	4,619	4,564
Teacher insurance income	-	-	-	10,000
	83,966	-	83,966	66,652
<i>Total 2016</i>	66,652	-	66,652	

The Moorlands Primary Federation

Notes to the financial statements
For the Year Ended 31 August 2017

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	284	-	284	347
<i>Total 2016</i>	347	-	347	

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	75,428	-	-	75,428	58,233
Educational Operations:					
Direct costs	893,200	11,010	107,116	1,011,326	898,873
Support costs	153,117	82,561	254,116	489,794	461,382
	1,121,745	93,571	361,232	1,576,548	1,418,488
<i>Total 2016</i>	980,286	78,740	359,462	1,418,488	

The Moorlands Primary Federation

**Notes to the financial statements
For the Year Ended 31 August 2017**

7. Charitable activities

	Total funds 2017 £	Total funds 2016 £
Direct costs - educational operations		
Wages and salaries	658,392	631,777
National insurance	63,646	34,656
Pension cost	171,162	128,957
Depreciation	11,010	8,065
Technology costs	19,781	21,224
Educational supplies	13,669	6,509
Educational consultancy	20,614	16,236
Educational trip costs	14,503	17,523
Other direct costs	38,549	33,926
	<u>1,011,326</u>	<u>898,873</u>
Support costs - educational operations		
Wages and salaries	117,745	107,083
National insurance	8,535	5,547
Pension cost	26,837	22,277
Depreciation	39,464	13,534
LGPS net finance costs	13,000	19,000
Technology costs	37,939	20,357
Staff development	2,802	15,965
Educational consultancy	31,053	14,017
Recruitment and support	647	648
Maintenance of premises and equipment	21,504	14,794
Cleaning	41,910	35,993
Rent & rates	2,718	2,519
Energy costs	24,135	25,146
Insurance	17,927	5,350
Catering	69,999	84,096
Bank interest and charges	96	246
Other support costs	12,885	11,898
Governance costs	19,327	62,912
Transport	1,271	-
	<u>489,794</u>	<u>461,382</u>
	<u><u>1,501,120</u></u>	<u><u>1,360,255</u></u>

The Moorlands Primary Federation

**Notes to the financial statements
For the Year Ended 31 August 2017**

8. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	50,475	21,599
Auditors remuneration - audit	6,700	6,500
Auditors remuneration - other services	1,870	1,800
Operating lease rentals	1,556	1,556
	50,475	21,599

9. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	846,973	768,057
Social security costs	72,181	40,204
Operating costs of defined benefit pension schemes	197,999	151,234
	1,117,153	959,495
Supply teacher costs	4,592	20,791
	1,121,745	980,286

The average number of persons employed by the academy during the year was as follows:

	2017	2016
	No.	No.
Teaching staff	8	9
Administration and Support	31	27
Management	7	6
	46	42

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017	2016
	No.	No.
In the band £70,001 - £80,000	1	1

The key management personnel of the academy trust comprise the trust and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £377,613 (2016: £323,215)

The Moorlands Primary Federation

Notes to the financial statements For the Year Ended 31 August 2017

10. Central services

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

- financial services
- professional services
- human resources

The academy charges for these services on the following basis:

24% of General Annual Grant (GAG)

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
St Werburgh's C.E (A) Primary School	151,959	78,730
Dilhorne Endowed C.E. (A) Primary School	63,438	30,285
The Valley Primary School	51,145	28,255
	<u>266,542</u>	<u>137,270</u>
Total		

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£	£
Mr J Eccles - Head Teacher	Remuneration	75,000-80,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no trustees received any reimbursement of expenses (2016: £nil).

12. Trustees' and Officers' Insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

The Moorlands Primary Federation

Notes to the financial statements
For the Year Ended 31 August 2017

13. Tangible fixed assets

	Long-term leasehold property £	Buildings Improve- ment £	Computer equipment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost						
At 1 September 2016	753,457	160,021	31,913	6,041	24,019	975,451
Additions	-	320,331	6,119	17,940	5,975	350,365
At 31 August 2017	753,457	480,352	38,032	23,981	29,994	1,325,816
Depreciation						
At 1 September 2016	11,176	95	8,065	-	2,263	21,599
Charge for the year	11,176	19,123	12,033	5,496	2,647	50,475
At 31 August 2017	22,352	19,218	20,098	5,496	4,910	72,074
Net book value						
At 31 August 2017	731,105	461,134	17,934	18,485	25,084	1,253,742
At 31 August 2016	742,281	159,926	23,848	6,041	21,756	953,852

14. Debtors

	2017 £	2016 £
Trade debtors	920	1,112
VAT recoverable	45,968	41,689
Other debtors	244	-
Prepayments and accrued income	242,185	46,051
	289,317	88,852

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	241,808	59,124
Other taxation and social security	19,567	26,320
Other creditors	18,890	17,217
Accruals and deferred income	126,791	99,946
	407,056	202,607

The Moorlands Primary Federation

Notes to the financial statements
For the Year Ended 31 August 2017

15. Creditors: Amounts falling due within one year (continued)

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	33,244	-
Resources deferred during the year	44,130	33,244
Amounts released from previous years	(33,244)	-
	<u>44,130</u>	<u>33,244</u>
Deferred income at 31 August 2017	<u>44,130</u>	<u>33,244</u>

At the balance sheet date the academy trust was holding funds received in advance for grants that relate to the 2017/18 academic year.

The Moorlands Primary Federation

Notes to the financial statements
For the Year Ended 31 August 2017

16. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	211,210	92,596	(75,428)	(6,641)	-	221,737
Restricted funds						
General Annual Grant (GAG)	-	1,114,740	(1,081,926)	-	-	32,814
Other Dfe/ ESFA	14,424	121,952	(130,921)	-	-	5,455
Other Government grants	-	72,124	(72,124)	-	-	-
EFA start up grants	57,088	95,000	(50,077)	(34,041)	-	67,970
Other income	3,156	50,441	(53,597)	-	-	-
Pension reserve	(599,000)	-	(62,000)	-	(8,000)	(669,000)
	<u>(524,332)</u>	<u>1,454,257</u>	<u>(1,450,645)</u>	<u>(34,041)</u>	<u>(8,000)</u>	<u>(562,761)</u>
Restricted fixed asset funds						
Donations from local authority	776,430	-	(11,176)	-	-	765,254
Other Dfe Capital grants	238,068	507,350	(19,123)	-	-	726,295
Devolved Formula Capital	29,234	14,537	(20,176)	-	-	23,595
Capital expenditure from EFA set up Grant	19,420	-	-	34,041	-	53,461
Capital expenditure from GAG	-	-	-	6,641	-	6,641
	<u>1,063,152</u>	<u>521,887</u>	<u>(50,475)</u>	<u>40,682</u>	<u>-</u>	<u>1,575,246</u>
Total restricted funds	<u>538,820</u>	<u>1,976,144</u>	<u>(1,501,120)</u>	<u>6,641</u>	<u>(8,000)</u>	<u>1,012,485</u>
Total of funds	<u>750,030</u>	<u>2,068,740</u>	<u>(1,576,548)</u>	<u>-</u>	<u>(8,000)</u>	<u>1,234,222</u>

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted funds	-	292,174	(58,233)	(22,731)	-	211,210
	-	292,174	(58,233)	(22,731)	-	211,210
Restricted funds						
General Annual Grant (GAG)	-	1,047,811	(1,070,542)	22,731	-	-
Other Dfe/ ESFA	-	125,918	(111,494)	-	-	14,424
Other Government grants	-	29,989	(29,989)	-	-	-
EFA start up grants	-	116,590	(40,082)	(19,420)	-	57,088
Other income	-	50,705	(47,549)	-	-	3,156
Pension reserve	-	(496,000)	(39,000)	-	(64,000)	(599,000)
	-	875,013	(1,338,656)	3,311	(64,000)	(524,332)
Restricted fixed asset funds						
Donations from local authority	-	797,110	(20,680)	-	-	776,430
Other Dfe Capital grants	-	238,168	(100)	-	-	238,068
Devolved Formula Capital	-	30,053	(819)	-	-	29,234
Capital expenditure from EFA set up Grant	-	-	-	19,420	-	19,420
	-	1,065,331	(21,599)	19,420	-	1,063,152
Total restricted funds	-	1,940,344	(1,360,255)	22,731	(64,000)	538,820
Total of funds	-	2,232,518	(1,418,488)	-	(64,000)	750,030

**The Moorlands Primary Federation
(A Company Limited by Guarantee)**

**Notes to the financial statements
For the Year Ended 31 August 2017**

16. Statement of funds (continued)

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

Unrestricted General Funds

This fund represents those resources which may be used towards meeting any of the charitable objectives at the discretion of the trustees.

Restricted General Funds

This fund represents grants received for the academy trust's operational activities and development.

Pension reserve

This fund represents the academy trust's share of the pension liability arising on the LGPS pension fund.

Restricted Fixed Asset Fund

This fund relates to grant funding received from the ESFA to carry out works of a capital nature and also the donation of the leasehold land and buildings from the local authority on a 125 year lease and a small amount of capital expenditure from GAG and other government grants.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
St. Werburgh's C.E (A) Primary School	79,640	125,658
Dilthorne Endowed C.E. (A) Primary School	71,083	46,241
The Valley Primary School	65,291	56,473
Federation Funds	111,962	57,506
Total before fixed asset fund and pension reserve	<u>327,976</u>	<u>285,878</u>
Restricted fixed asset fund	1,575,246	1,063,152
Pension reserve	(669,000)	(599,000)
Total	<u><u>1,234,222</u></u>	<u><u>750,030</u></u>

The Moorlands Primary Federation

Notes to the financial statements
For the Year Ended 31 August 2017

16. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
St. Werburgh's C.E. (A) Primary School	330,186	153,743	13,516	139,480	636,925	699,112
Dilhorne Endowed C.E (A) Primary	140,607	40,565	2,545	62,336	246,053	228,407
The Valley Primary School	133,927	31,033	19,710	56,221	240,891	218,820
Federation costs	175,240	67,443	4,005	93,516	340,204	250,551
	<u>779,960</u>	<u>292,784</u>	<u>39,776</u>	<u>351,553</u>	<u>1,464,073</u>	<u>1,396,890</u>

The total expenditure above excludes the depreciation charge and pension reserve expenditure.

17. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,253,742	1,253,742
Current assets	221,737	513,295	321,504	1,056,536
Creditors due within one year	-	(407,056)	-	(407,056)
Provisions for liabilities and charges	-	(669,000)	-	(669,000)
	<u>221,737</u>	<u>(562,761)</u>	<u>1,575,246</u>	<u>1,234,222</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset fund 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	953,851	953,851
Current assets	211,210	277,275	109,301	597,786
Creditors due within one year	-	(202,607)	-	(202,607)
Provisions for liabilities and charges	-	(599,000)	-	(599,000)
	<u>211,210</u>	<u>(524,332)</u>	<u>1,063,152</u>	<u>750,030</u>

The Moorlands Primary Federation

**Notes to the financial statements
For the Year Ended 31 August 2017**

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	492,192	814,030
Adjustment for:		
Depreciation charges	50,475	21,599
Dividends, interest and rents from investments	(284)	(347)
Increase in debtors	(200,465)	(88,853)
Capital grants from Dfe and other capital income	(521,887)	202,608
Increase in Creditors	204,449	(268,220)
Defined benefit pension scheme obligation inherited	-	496,000
Net FRS102 LGPS adjustment	62,000	39,000
Net (loss) on assets and liabilities from local authority on conversion	-	(797,111)
Cash transferred on conversion to an academy trust	-	(224,973)
Net cash provided by operating activities	86,480	193,733

19. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	767,219	508,933
Total	767,219	508,933

20. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £18,811 were payable to the schemes at 31 August 2017 (2016 - 18,311) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Moorlands Primary Federation

Notes to the financial statements For the Year Ended 31 August 2017

20. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £89,000 (2016 - £68,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £79,000 (2016 - £67,000), of which employer's contributions totalled £62,000 (2016 - £52,000) and employees' contributions totalled £17,000 (2016 - £15,000). The agreed contribution rates for future years are 23.2% for employers and 2.75 - 6.25% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.80 %	2.50 %
Rate of increase for pensions	2.40 %	2.10 %
Commutation of pensions to lump sums	75.00 %	75.00 %

The Moorlands Primary Federation

**Notes to the financial statements
For the Year Ended 31 August 2017**

20. Pension commitments (continued)

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

	2017	2016
Retiring today		
Males	22.1	22.1
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.3
Females	26.4	26.6

Sensitivity analysis	At 31 August 2017	At 31 August 2016
	£	£
Discount rate -0.5%	154,000	118,000
Salary rate +0.5%	31,000	45,000
Pension rate +0.5%	120,000	69,000

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equities	385,000	228,000
Corporate bonds	61,000	34,000
Property	40,000	24,000
Cash and other liquid assets	20,000	18,000
	<hr/>	<hr/>
Total market value of assets	506,000	304,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £40,000 (2016 - £39,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017	2016
	£	£
Current service cost	(111,000)	(72,000)
Interest income	7,000	9,000
Interest cost	(20,000)	(28,000)
	<hr/>	<hr/>
Total	(124,000)	(91,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	40,000	39,000
	<hr/> <hr/>	<hr/> <hr/>

The Moorlands Primary Federation

**Notes to the financial statements
For the Year Ended 31 August 2017**

20. Pension commitments (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	903,000	-
Defined benefit obligation transferred on conversion	-	688,000
Current service cost	111,000	72,000
Interest cost	20,000	28,000
Employee contributions	17,000	15,000
Actuarial losses	142,000	100,000
Benefits paid	(18,000)	-
	<u>1,175,000</u>	<u>903,000</u>
Closing defined benefit obligation	<u>1,175,000</u>	<u>903,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	304,000	-
Fair value of scheme assets transferred on conversion	-	192,000
Return on plan assets (excluding net interest on the net defined pension liability)	-	9,000
Interest income	7,000	-
Actuarial losses	134,000	36,000
Employer contributions	62,000	52,000
Employee contributions	17,000	15,000
Benefits paid	(18,000)	-
	<u>506,000</u>	<u>304,000</u>
Closing fair value of scheme assets	<u>506,000</u>	<u>304,000</u>

21. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	2,454	1,556
Between 1 and 5 years	408	654
	<u>2,862</u>	<u>2,210</u>
Total	<u>2,862</u>	<u>2,210</u>

The Moorlands Primary Federation

Notes to the financial statements For the Year Ended 31 August 2017

22. Members' liability

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

23. 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, transactions may take place with organisations in which the trust has 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.

Lichfield Diocesan Board of Education - a company which is a member of the Federation:

The Academy trust purchased services from Lichfield Diocesan Board of Education totalling £1,180 (2016: £648) during the year. There were no amounts outstanding at 31 August 2017 (2016: £nil).

Kingsley and Dilhorne Kingfishers in which Lee Yates is a committee member and secretary:

The Academy trust sold services totalling £3,600 (2016: £nil). There were no amounts outstanding at the 31 August 2017.

The Academy trust made the sales and purchases at arms length in accordance with its financial regulations.

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2016.

24. Post balance sheet events

On 1 September Great Wood Primary and Bishop Rawle Primary joined the Federation Trust.