

Registered number: 09378112

The Moorlands Primary Federation

Trustees' report and financial statements

For the Year Ended 31 August 2018



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

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

**Reference and administrative details
For the Year Ended 31 August 2018**

Members

Church of England Central Education Trust
Ms C Richardson (resigned 30 November 2017)
Mr P Chell
Ms K Hulse
Mr JS Ratcliffe
Rev L Lucking (appointed 1 December 2017)

Trustees

Mr P Chell, Chair of Trustees¹
Mr J Eccles, Executive Head Teacher, Accounting officer¹
Mrs M Bateman
Mr N Chesters¹
Mr B Fabi (appointed 18 October 2017)
Mr S Hill (resigned 19 September 2018)¹
Ms K Hulse¹
Dr S Langridge (appointed 18 October 2017)
Mrs T Perrins (appointed 5 October 2017, resigned 3 September 2018)
Mr JS Ratcliffe¹
Mr L Yates

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 (also known as The Federation Leadership Team (FLT))

J Eccles, Executive Head Teacher
A Brayford, Head Teacher at St. Werburgh'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 (until August 2018)
B Adamson, School Leader Great Wood Community Primary School (from September 2017)
K Clowes, School Leader Bishop Rawle CofE (A) Primary School (from September 2017)
M Eyden, Deputy Business Manager (from March 2018)
S Carr, Federation Business Manager (from July 2018)

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

**Reference and administrative details of the academy trust, its trustees and advisers
For the Year Ended 31 August 2018**

Advisers (continued)

Independent auditors

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

Bankers

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

Solicitors

Geldards, Pride Place, Derby, DE24 8QR

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

**Trustees' report
For the Year Ended 31 August 2018**

The trustees who are also the directors the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2018.

The academy trust operates an academy for pupils aged 4 – 11 serving a catchment area of the Staffordshire Moorlands. Each school has a capacity of:

St. Werburgh's CE (A) Primary School - 154
Bishop Rawle CofE (A) Primary School - 210
Dilhorne Endowed CE (A) Primary School - 63
The Valley Primary School - 63
Great Wood Community Primary School – 105

Number on roll:

St. Werburgh's CE (A) Primary School - 146
Bishop Rawle CofE. (A) Primary School - 148
Dilhorne Endowed CE (A) Primary School - 59
The Valley Primary School - 52
Great Wood Community Primary School – 104

Structure, governance and management

Constitution

The Moorlands Primary Federation was incorporated on 7 January 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 (MAT) was formed with the agreement of the full Governing Body and adoption of the Memorandum and Articles of Association. On 1 September 2017 two additional schools joined the MAT, Great Wood Primary School (as a converter academy) and Bishop Rawle C. E. (A) Primary School (as a sponsored academy) at the request of the Diocese of Lichfield, Staffordshire Local Authority and the Department for Education. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The Directors of The Moorlands Primary Federation are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Moorlands Primary Federation. Details of the Directors and Members who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The 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.

**The Moorlands Primary Federation
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**Trustees' report (continued)
For the Year Ended 31 August 2018**

Recruitment and appointment of new 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.

Policies and procedures adopted for the induction and training of Trustees

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.

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;
- Premises, Health and Safety;
- Admissions, Appeals and Discipline.

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 (FLT) consist of the School Leaders at each Academy. These teams are responsible for the day-to-day operation of the Academies, in particular organising the teaching staff, facilities and pupils. The FLT also has the Federation Administration Leader.

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.

Arrangements for setting pay and remuneration of 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.

**The Moorlands Primary Federation
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**Trustees' report (continued)
For the Year Ended 31 August 2018**

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year -
Full-time equivalent employee number -

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

£

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours - %

Related Parties and other Connected Charities and Organisations

St. Werburgh's C. E. (A) Primary School 'houses' the Kingsley Kingfishers Before and After school Care Club plus nursery on its grounds. This organisation is privately operated and a lease (including fees) in in place between The Moorlands Primary Federation and the private organisation. This model is replicated at Dilhorne Endowed C. E. (A) Primary School with the same organisation. Bishop Rawle C. E. (A) Primary School also has the same provision onsite in two separate buildings operated by Pathways private nursery. This arrangement also has a lease including fees.

Objectives and Activities

Our Values

Trust – Trust lies at the heart of all relationships. *By trusting in God we ourselves become trustworthy just as He is.*

Psalm 20:7 'Some trust in chariots and some in horses, but we trust in the name of the LORD our God.'

Mindful – Being mindful of others leads to a heart of compassion; compassion leads to a desire to act for the good of all.

Peter 3:8 'Finally, all of you, live in harmony with one another; be sympathetic, love as brothers and sisters, be compassionate and humble.'

Peace – Peace and harmony lead to a stable and secure community where all are nurtured and can flourish.

Matthew 5:19 'Blessed are the peacemakers, for they will be called the children of God.'

Friendship – Barriers are broken down in a loving, friendly community based around God.

Ecclesiastes 4:10 'if one falls down, a friend can lift him up'.

Italic text refers to our Anglican schools only.

The aims of our Trust are as follows:

- 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 organisation.
- 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.

Objectives and Activities (continued)

The objectives of our Trust are as follows:

- Each school will have a School Leader who will be responsible for the day-to-day running of each site. In our larger schools, in support of School Leaders, there may be Deputies/Assistants, Senior Leaders or Key Stage Leaders.
- School Leaders will be accountable to the Executive Principal (EXP), 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 of each should be celebrated.
- Our Federation Subject Leaders (FSL) - including SLE and subject leaders will be proactive in their work to raise standards. Their work will be organised via our annual Cycle of School Improvement strategic plan. The FSLs will report to the EXP (regularly) and Pupil Welfare, Learning and Achievement 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. 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 process.
- As a Multi Academy Trust (MAT) we will provide a bespoke broad and balanced curriculum that provides high-quality opportunities for all children – meeting the needs of our learners.

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 2018

Strategic report

Achievements and performance

Key performance indicators

Reception class Data 2018 (*)A 'Good Level of Development' is achieved when children attain 'expected' or 'exceeding' grades in all Prime Areas and all Literacy and Mathematics areas. The number in brackets on the top row are class sizes.

	St Werburghs (26)	Dilhorne (12)	The Valley (7)	Great Wood (20)	Bishop Rawle (21)	National 2017
% of good level of development achieved (*)	88%	83%	63%	85%	76%	70%
EYFS Profile Average 2018	41	39	34	35	34	34
% of 'expected' or 'exceeding in reading	92%	92%	75%	90%	81%	77%
% of 'expected' or 'exceeding in writing	88%	92%	63%	85%	76%	73%
% of 'expected' or 'exceeding in number	92%	92%	88%	90%	86%	79%
% of children attaining expected or exceeding in all 17 areas of learning	88%	83%	63%	85%	76%	69%

Year 1 Phonics Screening Test Results 2018

	St Werburghs (19)	Dilhorne (8)	The Valley (5)	Great Wood (10)	Bishop Rawle (16)
Year 1 2018 results	79% 5% one mark off pass	63%	80%	100%	100%
Year 2 resit test results	0% (2) 50% one mark off pass	33% (6) 17% one mark off pass	100% (1)	100% (3)	100% (2)
Year 3+ resit test results	0	50%(3)	100% Year 4 (1)	N	NA
National Year 1 2017 results	81%				

Year 2 Assessment Data 2018

Reading						
	St. Werburgh's (15)	The Valley (8)	Dilhorne (13)	Great Wood (16)	Bishop Rawle (15)	National 2017
Teacher Assessment (working at expected or above)	87%	88%	75%	94%	80%	76%
Below expected progress	13%	14%	17%	25%	7%	
Expected progress	80%	86%	83%	63%	60%	
Above expected progress	7%		0%	13%	33%	

Writing						
	St. Werburgh's (15)	The Valley (8)	Dilhorne (13)	Great Wood (16)	Bishop Rawle (15)	National 2017
Teacher Assessment (working at expected or above)	80%	63%	69%	81%	73%	68%
Below expected progress	20%	43%	25%	44%	7%	
Expected progress	80%	67%	75%	50%	87%	
Above expected progress	0%	0%	0%	6%	7%	

SPaG						
	St. Werburgh's (15)	The Valley (8)	Dilhorne (13)	Great Wood (16)	Bishop Rawle (15)	National 2017
Test Results (100 or above)	87%	50%	77%	75%	80%	

Maths						
	St. Werburgh's (15)	The Valley (8)	Dilhorne (13)	Great Wood (16)	Bishop Rawle (15)	National 2017
Teacher Assessment (working at expected or above)	87%	63%	77%	94%	93%	75%
Below expected progress	7%	43%	17%	25%	0%	
Expected progress	93%	43%	83%	63%	53%	
Above expected progress	0%	14%	0%	13%	47%	

Year 6 Assessment Data 2018

Reading						
	St. Werburgh's (15)	The Valley (2)	Dilhorne (10)	Great Wood (12)	Bishop Rawle (19)	National
Test Results (100 or above)	73% 47% higher level	100%	90%	100%	79%	75%
Teacher Assessment (working at expected or above)	80%	100%	90%	100%	79%	
Average Scaled Score	106.5	113	106	106.8	103.1	105
Below expected progress	13%	0%	0%	8%	33%	
Expected progress	87%	50%	75%	92%	67%	
Above expected progress	33%	50%	25%	8%	0%	

Writing						
	St. Werburgh's (15)	The Valley (2)	Dilhorne (10)	Great Wood (12)	Bishop Rawle (19)	National
Teacher Assessment (working at expected or above)	80% 33% higher level	100%	80%	83%	68%	78%
Below expected progress	7%	0%	13%	17%	17%	
Expected progress	93%	50%	88%	83%	83%	
Above expected progress	13%	50%	0%	25%	6%	

Spelling Punctuation and Grammar						
	St. Werburgh's (15)	The Valley (2)	Dilhorne (10)	Great Wood (12)	Bishop Rawle (19)	National
Test Results (100 or above)	80% 60% higher level	100%	90%	92%	63%*	78%
Average Scaled Score	108.5	109	104.5	109.3	106.4	104

Maths						
	St. Werburgh's (15)	The Valley (2)	Dilhorne (10)	Great Wood (12)	Bishop Rawle (19)	National
Test Results (100 or above)	93% 27% higher level	100%	90%	92%	84%	76%
Teacher Assessment (working at expected or above)	80%	100%	90%	100%	84%	
Average Scaled Score	106.7	109	103.3	107.1	103.4	106
Below expected progress	7%	0%	0%	17%	17%	
Expected progress	93%	50%	88%	83%	83%	
Above expected progress	20%	50%	13%	25%	11%	

Reading, Writing and Maths combined						
	St. Werburgh's (23)	The Valley (5)	Dilhorne (4)	Great Wood (14)	Bishop Rawle (19)	National
	73%	100%	75%	75%	53%	64%

*four children scored 99

Going concern

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

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

**Trustees' report (continued)
For the Year Ended 31 August 2018**

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 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 2018, the Academy received GAG of £2,133,433 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 2018, total resources expended are £2,770,563 excluding depreciation. Depreciation of £132,271 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 £114,868.

At the 31 August 2018, the net book value of tangible fixed assets totalled £3,327,343 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.

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 2018 amount to £442,844 (excluding the pension reserve and restricted fixed asset fund).

Investments policy

The Moorlands Primary Federation has a policy on investment. It has been agreed by the Directors that there is one main bank account, one investment account, and five separate imprest accounts (one for The Valley Primary School, Great Wood Primary School, Bishop Rawle C. E. (A) Primary School, St Werburgh's C. E. (A) Primary School and Dilhorne Endowed C. E. (A) Primary School).

**The Moorlands Primary Federation
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**Trustees' report (continued)
For the Year Ended 31 August 2018**

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 Leadership Team are assigned to own each risk. The internal audit process is designed to test these mitigating strategies.

The remit of the Human Resources and Finance Committee is to ensure risks are identified, mitigating activities are in place and audited. The Directors also plays a key role in risk mitigation working alongside the 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.

Fundraising

Bishop Rawle C. E. (A) Primary School, St. Werburgh's C. E. (A) Primary School, Dilhorne Endowed C. E (A) Primary School and Great Wood Primary School all boast letting arrangements that generate regular income. Where possible costs are standardised across the Trust. Where there is variation in charges, this is due to covering overheads such as staff or cleaning. The majority of our lettings benefit either our pupils directly or local community.

Future developments

There are no significant future developments pending for the academic year 2018/19.

**The Moorlands Primary Federation
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**Trustees' report (continued)
For the Year Ended 31 August 2018**

Disclosure of information to auditors

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 as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors 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 ~~14.12.18~~ 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 Directors, 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 Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 Director's report and in the Statement of Directors' 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	4	4
Mr J Eccles, Executive Head Teacher, Accounting officer	4	4
Mrs M Bateman	4	4
Mr N Chesters	3	4
Mr B Fabi	4	4
Mr S Hill	4	4
Ms K Hulse	4	4
Dr S Langridge	4	4
Mrs T Perrins	3	4
Mr JS Ratcliffe	3	4
Mr L Yates	3	4

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 regularly on the schools' finances to the whole Governing Body;
- Formulating and reviewing the schools' staffing structure and reviewing pay scales 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	3	3
Ms K Hulse	3	3
Mr JS Ratcliffe	3	3
Mr S Hill	3	3
Mr N Chesters	2	3
Mr J Eccles, Executive Head Teacher, Accounting officer	3	3

**The Moorlands Primary Federation
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Governance Statement (continued)

Review of Value for Money

As Accounting Officer, the Executive Head Teacher has responsibility for ensuring that the charitable company 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 charitable company'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 charitable company has delivered improved value for money during the year by:

- All Service Level Agreements are reviewed on an annual basis for best value. We subsequently changed our grounds maintenance provider who offered a cheaper agreement.
- With significant purchases such as laptops, touchscreen TVs, football kits, tables and chairs etc, we always seek three quotes. We have purchased items as a 'Trust' and not individual schools to gain advantages of company offers with: touchscreen TVs, exercise books, photocopying paper and salt/grit.
- We have also seen an increase in the number of smaller purchases from internet based companies who can often provide cheaper goods than previously used suppliers.

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 charitable company 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 2017 to 31 August 2018 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 charitable company 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 charitable company's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of trustees.

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Governance Statement (continued)

The Risk and Control Framework

The charitable company'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 Responsible Officer.

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

On a half year basis, the reviewer reports to the board of trustees, through the human resources and finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The committee confirm that the reviews have taken place during the year and reports including recommendations have been discussed at the committee meetings. The committee have confirmed that appropriate action has been taken to address the recommendations raised.

Review of Effectiveness

As Accounting Officer, the Executive Head Teacher 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 Atkinson (School Business Manager) of The Cheadle Academy;
- the work of the external auditors;
- the work of the Office Managers/School Secretaries within the charitable company 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 14.12.18 and signed on their behalf, by:



Mr P Chell
Chair of Trustees



Mr J Eccles
Accounting Officer

**The Moorlands Primary Federation
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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 and the Education & 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 2017.

I confirm that I and the academy trust board 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 2017.

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 and ESFA.



**Mr J Eccles
Accounting Officer**

14.12.18

**The Moorlands Primary Federation
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**Statement of Trustees' responsibilities
For the Year Ended 31 August 2018**

The Trustees (who 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 & 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and signed on its behalf by:



**Mr P Chell
Chair of Trustees**

Date: 14/14/18

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

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 (the 'academy trust') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 trust'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
(A Company Limited by Guarantee)**

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other 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 the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic 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 trust 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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 trust 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 trust'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 trust or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an Auditors' 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 trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



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: 14.12.18

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

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

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 accounting officer and the reporting accountant

The Accounting Officer 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 trust's income and expenditure.

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

Independent reporting accountants' assurance report on regularity to The Moorlands Primary Federation and the Education & 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 2017 to 31 August 2018 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: *14.12.18*

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Statement of financial activities incorporating income and expenditure account
For the Year Ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion	2	110,965	(553,000)	1,885,805	1,443,770	-
Other donations and capital grants	2	2,029	-	45,403	47,432	530,233
Charitable activities:						
Funding for the academy trust's educational operations	3	-	2,597,266	-	2,597,266	1,454,257
Other trading activities	4	59,230	-	-	59,230	83,966
Investments	5	230	-	-	230	284
Total income		172,454	2,044,266	1,931,208	4,147,928	2,068,740
Expenditure on:						
Raising funds		7,608	-	-	7,608	75,428
Charitable activities:						
Academy trust educational operations		-	2,762,955	132,271	2,895,226	1,501,120
Total expenditure	7	7,608	2,762,955	132,271	2,902,834	1,576,548
Net income / (expenditure) before transfers		164,846	(718,689)	1,798,937	1,245,094	492,192
Transfers between Funds	16	(71,819)	67,530	4,289	-	-
Net income / (expenditure) before other recognised gains and losses		93,027	(651,159)	1,803,226	1,245,094	492,192
Actuarial gains/(losses) on defined benefit pension schemes	22	-	272,000	-	272,000	(8,000)
Net movement in funds		93,027	(379,159)	1,803,226	1,517,094	484,192
Reconciliation of funds:						
Total funds brought forward		221,737	(562,761)	1,575,246	1,234,222	750,030
Total funds carried forward		314,764	(941,920)	3,378,472	2,751,316	1,234,222

The notes on pages 27 to 55 form part of these financial statements.

The Moorlands Primary Federation
(A Company Limited by Guarantee)
Registered number: 09378112

Balance sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	13		3,327,343		1,253,742
Current assets					
Debtors	14	97,670		289,317	
Cash at bank and in hand		684,779		767,219	
		<u>782,449</u>		<u>1,056,536</u>	
Creditors: amounts falling due within one year	15	<u>(288,476)</u>		<u>(407,056)</u>	
Net current assets			<u>493,973</u>		<u>649,480</u>
Total assets less current liabilities			<u>3,821,316</u>		<u>1,903,222</u>
Defined benefit pension scheme liability	22		<u>(1,070,000)</u>		<u>(669,000)</u>
Net assets including pension scheme liabilities			<u><u>2,751,316</u></u>		<u><u>1,234,222</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	128,080		106,239	
Restricted fixed asset funds	16	3,378,472		1,575,246	
		<u>3,506,552</u>		<u>1,681,485</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(1,070,000)</u>		<u>(669,000)</u>	
Total restricted income funds			<u>2,436,552</u>		<u>1,012,485</u>
Unrestricted income funds	16		<u>314,764</u>		<u>221,737</u>
Total funds			<u><u>2,751,316</u></u>		<u><u>1,234,222</u></u>

The financial statements on pages 24 to 55 were approved by the Trustees, and authorised for issue, on 14.12.18 and are signed on their behalf, by:

Mr P Chell
Chair of Trustees



The notes on pages 27 to 55 form part of these financial statements.

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Statement of cash flows
For the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(58,989)</u>	<u>86,480</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		230	284
Purchase of tangible fixed assets		(390,950)	(350,365)
Capital grants from DfE Group		256,304	521,887
Cash transferred on conversion to an academy trust		110,965	-
Net cash (used in)/provided by investing activities		<u>(23,451)</u>	<u>171,806</u>
Change in cash and cash equivalents in the year		(82,440)	258,286
Cash and cash equivalents brought forward		<u>767,219</u>	<u>508,933</u>
Cash and cash equivalents carried forward	19	<u><u>684,779</u></u>	<u><u>767,219</u></u>

The notes on pages 27 to 55 form part of these financial statements.

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

**Notes to the financial statements
For the Year Ended 31 August 2018**

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 2017 to 2018 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 company 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.

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

**Notes to the financial statements
For the Year Ended 31 August 2018**

1. Accounting policies (continued)

1.3 Income

All income is recognised once the academy trust 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.

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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.

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

All expenditure is inclusive of irrecoverable VAT.

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

**Notes to the financial statements
For the Year Ended 31 August 2018**

1. Accounting policies (continued)

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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, 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
Fixtures and fittings	-	10% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	33% straight line
Building improvements	-	10 - 25% straight line

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.

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. Accounting policies (continued)

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 trust 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 trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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 instrument.

1.11 Taxation

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

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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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. Accounting policies (continued)

1.13 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Bishop Rawle CofE (A) Primary School and Great Wood Community Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Leasehold land and buildings

On the transfer date of 1 September 2017, the Federation was gifted the school site at Great Wood Community Primary School by Staffordshire County Council on a 125 year lease. The value is based upon the valuation provided by FHP using the depreciated replacement cost method of valuation. The school site has been credited as a donation in the Restricted Fixed Asset Funds column of the Statement of Financial Activities and is included within tangible fixed assets on the balance sheet.

Other fixed assets

Other fixed assets comprising building improvement and computer equipment have been credited as a donation in the Restricted Fixed Asset Funds column of the Statement of Financial Activities and are included within tangible fixed assets on the balance sheet.

Local Government Pension Scheme (LGPS) deficit

The obligation relating to the employees in the LGPS scheme that were transferred as part of the conversion from the maintained schools were transferred to the Federation on 1 September 2017. The deficit on the Local Government Pension schemes has been debited as a donation in the Restricted General Funds column of the Statement of Financial Activities and included within the LGPS liability on the balance sheet.

Cash

Cash balances at 1 September 2017 in respect of the maintained schools, governor fund and school funds were transferred to the Federation. These cash balances have been credited as a donation in the Statement of Financial Activities under the Unrestricted Funds column and included within the cash and bank balances on the balance sheet.

Further details of the transaction are set out in note 20.

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders 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/donor and include grants from the Department for Education Group.

1. Accounting policies (continued)

1.15 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 22, 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 2018. 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 depreciated replacement cost for specialised assets. 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 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 on it by a mere licence that transfers to the academy trust no rights or 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 academy trust company will not be recognised on the balance sheet of the company.

The Moorlands Primary Federation
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Notes to the financial statements
For the Year Ended 31 August 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donated on conversion	110,965	(553,000)	1,885,805	1,443,770	-
Donations	2,029	-	-	2,029	8,346
Capital Grants	-	-	45,403	45,403	521,887
Subtotal	2,029	-	45,403	47,432	530,233
	112,994	(553,000)	1,931,208	1,491,202	530,233
Total 2017	8,346	-	521,887	530,233	

The Moorlands Primary Federation
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Notes to the financial statements
For the Year Ended 31 August 2018

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,133,433	2,133,433	1,114,740
Start-up grants	-	-	-	95,000
Other DfE/ESFA grants	-	307,251	307,251	121,952
	-	2,440,684	2,440,684	1,331,692
Other government grants				
Local authority grants	-	23,154	23,154	13,968
Special educational projects	-	62,116	62,116	58,156
	-	85,270	85,270	72,124
Other funding				
Other income	-	6,254	6,254	9,049
Catering income	-	39,020	39,020	20,137
Educational trip income	-	26,038	26,038	21,255
	-	71,312	71,312	50,441
	-	2,597,266	2,597,266	1,454,257
Total 2017	-	1,454,257	1,454,257	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Teachers insurance income	6,600	-	6,600	-
Music services	7,672	-	7,672	-
Lettings income	17,671	-	17,671	3,920
Teachers miscellaneous income	-	-	-	64,183
Training and consultancy income	7,608	-	7,608	11,244
Other income	19,679	-	19,679	4,619
	59,230	-	59,230	83,966
Total 2017	83,966	-	83,966	

The Moorlands Primary Federation
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Notes to the financial statements
For the Year Ended 31 August 2018

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	230	-	230	284
Total 2017	284	-	284	

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the financial statements
For the Year Ended 31 August 2018

6. Charitable activities

	Total funds 2018 £	Total funds 2017 £
Direct costs - educational operations		
Wages and salaries	1,306,981	658,392
National insurance	112,445	63,646
Pension cost	307,485	171,162
Depreciation	14,385	11,010
Technology costs	24,373	19,781
Educational supplies	20,832	13,669
Educational consultancy	29,103	20,614
Educational trip costs	20,487	14,503
Other direct costs	62,761	38,549
	<u>1,898,852</u>	<u>1,011,326</u>
Support costs - educational operations		
Wages and salaries	250,832	117,745
National insurance	16,674	8,535
Pension cost	47,977	26,837
Depreciation	117,885	39,464
LGPS net finance costs	32,000	13,000
Technology costs	50,417	37,939
Staff development	6,713	2,802
Consultancy	21,741	31,053
Recruitment and support	645	647
Maintenance of premises and equipment	33,698	21,504
Cleaning	94,796	41,910
Rent and rates	7,156	2,718
Energy costs	53,844	24,135
Insurance	33,221	17,927
Catering	169,022	69,999
Bank interest and charges	96	96
Governance costs	28,893	19,327
Transport	2,130	1,271
Other support costs	28,634	12,885
	<u>996,374</u>	<u>489,794</u>
	<u><u>2,895,226</u></u>	<u><u>1,501,120</u></u>

The Moorlands Primary Federation
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Notes to the financial statements
For the Year Ended 31 August 2018

7. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds - direct costs	7,608	-	-	7,608	75,428
Academy's educational Operations:					
Direct costs	1,726,911	-	171,941	1,898,852	1,011,326
Support costs	315,483	254,435	426,456	996,374	489,794
	<u>2,050,002</u>	<u>254,435</u>	<u>598,397</u>	<u>2,902,834</u>	<u>1,576,548</u>
Total 2017	<u>1,121,745</u>	<u>93,571</u>	<u>361,232</u>	<u>1,576,548</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	132,271	50,475
Auditors' remuneration - audit	11,500	6,700
Auditors' remuneration - other services	2,100	1,870
Operating lease rentals	4,415	1,556
	<u>150,286</u>	<u>60,601</u>

The Moorlands Primary Federation
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Notes to the financial statements
For the Year Ended 31 August 2018

9. Staff

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,527,382	846,973
Social security costs	129,119	72,181
Operating costs of defined benefit pension schemes	355,462	197,999
	<u>2,011,963</u>	<u>1,117,153</u>
Agency staff costs	38,039	4,592
	<u>2,050,002</u>	<u>1,121,745</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teaching staff	22	8
Administration and support	46	31
Management	8	7
	<u>76</u>	<u>46</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

d. Key management personnel

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 and employers national insurance costs) received by key management personnel for their services to the academy trust was £496,551 (2017 - £414,368)

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

**Notes to the financial statements
For the Year Ended 31 August 2018**

10. Central services

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

- Financial services
- Professional services
- Human resources

The academy trust charges for these services on the following basis:

15% of General Annual Grant (GAG)

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
St Werburgh's C.E (A) Primary School	84,965	151,959
Dilhorne Endowed C.E. (A) Primary School	42,467	63,438
The Valley Primary School	30,993	51,145
Bishops Rawle CofE (A) Primary School	91,092	-
Great Wood Community Primary School	64,636	-
	<u>314,153</u>	<u>266,542</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 Executive Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher 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:

	2018	2017
	£	£
Mr J Eccles, Executive Head Teacher Remuneration	80,000-85,000	75,000-80,000
Pension contributions paid	10,000-15,000	10,000-15,000

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £984 (2017 - £NIL) were reimbursed to 1 Trustee (2017 - 0).

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
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Notes to the financial statements
For the Year Ended 31 August 2018

13. Tangible fixed assets

	Long-term leasehold property £	Building improve- ments £	Fixture and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 September 2017	753,457	480,352	29,994	23,981	38,032	1,325,816
Additions	-	296,584	614	-	22,869	320,067
Transfers on conversion	1,880,000	2,282	-	-	3,523	1,885,805
At 31 August 2018	<u>2,633,457</u>	<u>779,218</u>	<u>30,608</u>	<u>23,981</u>	<u>64,424</u>	<u>3,531,688</u>
Depreciation						
At 1 September 2017	22,352	19,218	4,910	5,496	20,098	72,074
Charge for the year	42,896	61,089	3,060	5,995	19,231	132,271
At 31 August 2018	<u>65,248</u>	<u>80,307</u>	<u>7,970</u>	<u>11,491</u>	<u>39,329</u>	<u>204,345</u>
Net book value						
At 31 August 2018	<u>2,568,209</u>	<u>698,911</u>	<u>22,638</u>	<u>12,490</u>	<u>25,095</u>	<u>3,327,343</u>
At 31 August 2017	<u>731,105</u>	<u>461,134</u>	<u>25,084</u>	<u>18,485</u>	<u>17,934</u>	<u>1,253,742</u>

14. Debtors

	2018 £	2017 £
Trade debtors	3,262	920
VAT recoverable	34,894	45,968
Other debtors	244	244
Prepayments and accrued income	59,270	242,185
	<u>97,670</u>	<u>289,317</u>

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Notes to the financial statements
For the Year Ended 31 August 2018

15. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	134,453	241,808
Other taxation and social security	36,925	19,567
Other creditors	34,341	18,890
Accruals and deferred income	82,757	126,791
	<u>288,476</u>	<u>407,056</u>
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	44,130	33,244
Resources deferred during the year	63,847	44,130
Amounts released from previous years	(44,130)	(33,244)
	<u>63,847</u>	<u>44,130</u>

At the balance sheet date the academy trust was holding funds received in advance for grants that relate to the 2018/19 academic year.

The Moorlands Primary Federation
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Notes to the financial statements
For the Year Ended 31 August 2018

16. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	221,737	172,454	(7,608)	(71,819)	-	314,764
Restricted funds						
General Annual Grant	32,814	2,133,433	(2,172,611)	78,165	-	71,801
Other Dfe/ ESFA	5,455	307,251	(274,558)	-	-	38,148
Other Government grants	-	85,270	(85,270)	-	-	-
ESFA start up grants	67,970	-	(57,335)	(10,635)	-	-
Other income	-	71,312	(53,181)	-	-	18,131
Pension reserve	(669,000)	(553,000)	(120,000)	-	272,000	(1,070,000)
	(562,761)	2,044,266	(2,762,955)	67,530	272,000	(941,920)
Restricted fixed asset funds						
Donations from local authority	765,254	1,885,805	(54,104)	(9,031)	-	2,587,924
Other DfE capital grants	726,295	-	(56,461)	(4,946)	-	664,888
Devolved formula capital	23,595	45,403	(8,395)	12,027	-	72,630
Capital expenditure from ESFA start up grants	53,461	-	(12,403)	6,467	-	47,525
Capital expenditure from GAG	6,641	-	(908)	(228)	-	5,505
	1,575,246	1,931,208	(132,271)	4,289	-	3,378,472
Total restricted funds	1,012,485	3,975,474	(2,895,226)	71,819	272,000	2,436,552
Total of funds	1,234,222	4,147,928	(2,902,834)	-	272,000	2,751,316

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 funds 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.

**The Moorlands Primary Federation
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**Notes to the financial statements
For the Year Ended 31 August 2018**

16. Statement of funds (continued)

Restricted Fixed Asset Funds

These funds 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 trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
St. Werburgh's C.E (A) Primary School	67,168	79,640
Dilhorne Endowed C.E. (A) Primary School	103,107	71,083
The Valley Primary School	104,067	65,291
Bishop Rawle CofE (A) Primary School	49,575	-
Great Wood Community Primary School	109,761	-
Federation funds	9,166	111,962
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	442,844	327,976
Restricted fixed asset fund	3,378,472	1,575,246
Pension reserve	(1,070,000)	(669,000)
	<hr/>	<hr/>
Total	<u>2,751,316</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 2018

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 depreciat- ion £	Total 2018 £	Total 2017 £
St. Werburgh's C.E (A) Primary School	439,782	29,182	7,386	135,543	611,893	636,925
Dilhorne Endowed C.E. (A) Primary School	176,710	38,793	2,428	75,939	293,870	246,053
The Valley Primary School	148,874	24,994	2,435	71,451	247,754	240,891
Bishop Rawle CofE (A) Primary School	446,056	69,325	2,713	143,717	661,811	-
Great Wood Community Primary School	248,209	45,505	2,422	118,238	414,374	-
Federation costs	179,280	115,292	3,448	122,842	420,862	340,204
	<u>1,638,911</u>	<u>323,091</u>	<u>20,832</u>	<u>667,730</u>	<u>2,650,564</u>	<u>1,464,073</u>

The Moorlands Primary Federation
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Notes to the financial statements
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16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Unrestricted funds	211,210	92,596	(75,428)	(6,641)	-	221,737
Restricted funds						
General Annual Grant	-	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)	-	-	-
ESFA 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 ESFA start up grants	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
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Notes to the financial statements
For the Year Ended 31 August 2018

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	211,210	265,050	(83,036)	(78,460)	-	314,764
Restricted funds						
General Annual Grant	-	3,248,173	(3,254,537)	78,165	-	71,801
Other Dfe/ ESFA	14,424	429,203	(405,479)	-	-	38,148
Other Government grants	-	157,394	(157,394)	-	-	-
ESFA start up grants	57,088	95,000	(107,412)	(44,676)	-	-
Other income	3,156	121,753	(106,778)	-	-	18,131
Pension reserve	(599,000)	(553,000)	(182,000)	-	264,000	(1,070,000)
	(524,332)	3,498,523	(4,213,600)	33,489	264,000	(941,920)
Restricted fixed asset funds						
Donations from local authority	776,430	1,885,805	(65,280)	(9,031)	-	2,587,924
Other DfE capital grants	238,068	507,350	(75,584)	(4,946)	-	664,888
Devolved formula capital	29,234	59,940	(28,571)	12,027	-	72,630
Capital expenditure from ESFA start up grants	19,420	-	(12,403)	40,508	-	47,525
Capital expenditure from GAG	-	-	(908)	6,413	-	5,505
	1,063,152	2,453,095	(182,746)	44,971	-	3,378,472
	538,820	5,951,618	(4,396,346)	78,460	264,000	2,436,552
Total of funds	750,030	6,216,668	(4,479,382)	-	264,000	2,751,316

The Moorlands Primary Federation
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Notes to the financial statements
For the Year Ended 31 August 2018

17. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,327,343	3,327,343
Current assets	314,764	416,556	51,129	782,449
Creditors due within one year	-	(288,476)	-	(288,476)
Provisions for liabilities and charges	-	(1,070,000)	-	(1,070,000)
	<u>314,764</u>	<u>(941,920)</u>	<u>3,378,472</u>	<u>2,751,316</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 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>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	1,245,094	492,192
Adjustment for:		
Depreciation charges	132,271	50,475
Dividends, interest and rents from investments	(230)	(284)
Increase in debtors	(13,006)	(200,465)
(Decrease)/increase in creditors	(53,945)	204,449
Capital grants from DfE and other capital income	(45,403)	(521,887)
Defined benefit pension scheme obligation inherited	553,000	-
Defined benefit pension scheme cost less contributions payable	88,000	49,000
Defined benefit pension scheme finance cost	32,000	13,000
Net gain on assets and liabilities from local authority on conversion	(1,885,805)	-
Cash transferred on conversion to an academy trust	(110,965)	-
Net cash (used in)/provided by operating activities	<u>(58,989)</u>	<u>86,480</u>

**The Moorlands Primary Federation
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**Notes to the financial statements
For the Year Ended 31 August 2018**

19. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	684,779	767,219
Total	<u>684,779</u>	<u>767,219</u>

20. Conversion to an academy trust

On 1 September 2017 Bishop Rawle CofE (A) Primary School and Great Wood Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Moorlands Primary Federation from Staffordshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,880,000	1,880,000
Other tangible fixed assets	-	-	5,805	5,805
Budget surplus/(deficit) on LA funds	83,324	-	-	83,324
Budget surplus/(deficit) on other school funds	27,641	-	-	27,641
LGPS pension surplus/(deficit)	-	(553,000)	-	(553,000)
Net assets/(liabilities)	<u>110,965</u>	<u>(553,000)</u>	<u>1,885,805</u>	<u>1,443,770</u>

The above net assets/(liabilities) include £110,965 that were transferred as cash.

The Great Wood Community Primary School leasehold land and buildings, being the school land, building and playing fields have been transferred on 125 year lease from Staffordshire County Council. The basis for this valuation is detailed in the accounting policies in note 1.

The LGPS pension deficit represents the deficit at 1 September 2017 for Bishop Rawle CofE (A) Primary School and Great Wood Community Primary School in respect of employees of the maintained schools that have transferred to the federation. The basis of this valuation is detailed in the accounting policies in note 1.

The fair value of cash and transferred tangible fixed assets are documented below. The LGPS pension deficit is not included in the table below as the amount transferred on conversion is shown above for the trust as a whole.

**The Moorlands Primary Federation
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For the Year Ended 31 August 2018**

Conversion to an academy trust (continued)

Bishop Rawle CofE (A) Primary School

On 1 September 2017 Bishop Rawle CofE (A) Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Moorlands Primary Federation from Staffordshire County Council.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Other tangible fixed assets	-	-	5,805	5,805
Budget surplus on LA funds	24,897	-	-	24,897
Budget surplus on other school funds	21,999	-	-	21,999
	<u>46,896</u>	<u>-</u>	<u>5,805</u>	<u>52,701</u>
Net assets (excluding LPGS deficit)	<u>46,896</u>	<u>-</u>	<u>5,805</u>	<u>52,701</u>

The above net assets include £46,896 that were transferred as cash.

Great Wood Community Primary School

On 1 September 2017 Great Wood Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Moorlands Primary Federation from Staffordshire County Council.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,880,000	1,880,000
Budget surplus on LA funds	58,427	-	-	58,427
Budget surplus on other school funds	5,642	-	-	5,642
	<u>64,069</u>	<u>-</u>	<u>1,880,000</u>	<u>1,944,069</u>
Net assets (excluding LPGS deficit)	<u>64,069</u>	<u>-</u>	<u>1,880,000</u>	<u>1,944,069</u>

The above net assets include £64,069 that were transferred as cash.

The leasehold land and buildings have been transferred on a 125 year lease from Staffordshire County Council. The basis for valuation is detailed in the accounting policies in note 1.

21. Capital commitments

At 31 August 2018 the academy trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>19,530</u>	<u>-</u>

22. Pension commitments

The academy trust'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 Pension Fund. 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 £33,625 were payable to the schemes at 31 August 2018 (2017 - £18,811) 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.

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.
- 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%.

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 £160,000 (2017 - £89,000).

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).

**The Moorlands Primary Federation
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**Notes to the financial statements
For the Year Ended 31 August 2018**

22. Pension commitments (continued)

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 2018 was £131,000 (2017 - £79,000), of which employer's contributions totalled £104,000 (2017 - £62,000) and employees' contributions totalled £27,000 (2017 - £17,000). The agreed contribution rates for future years are 23.2% for employers and 2.7% - 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:

	2018	2017
Discount rate for scheme liabilities	2.30 %	2.50 %
Rate of increase in salaries	2.70 %	2.80 %
Rate of increase for pensions	2.80 %	2.40 %
Commutation of pensions to lump sums - post 1 April 2008	75.00 %	75.00 %
Commutation of pensions to lump sums - pre 1 April 2008	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.1	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

	At 31 August 2018	At 31 August 2017
Sensitivity analysis	£	£
Discount rate -0.5%	290,000	154,000
Salary rate +0.5%	58,000	31,000
Pension rate +0.5%	228,000	120,000

The Moorlands Primary Federation
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Notes to the financial statements
For the Year Ended 31 August 2018

22. Pension commitments (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	802,000	385,000
Corporate bonds	218,000	61,000
Property	92,000	40,000
Cash and other liquid assets	34,000	20,000
	<u>1,146,000</u>	<u>506,000</u>

The actual return on scheme assets was £34,000 (2017 - £40,000).

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

	2018 £	2017 £
Current service cost	(192,000)	(111,000)
Interest income	25,000	7,000
Interest cost	(57,000)	(20,000)
	<u>(224,000)</u>	<u>(124,000)</u>
Actual return on scheme assets	<u>34,000</u>	<u>40,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,175,000	903,000
Defined benefit obligation transferred on conversion	1,006,000	-
Current service cost	192,000	111,000
Interest cost	57,000	20,000
Employee contributions	27,000	17,000
Actuarial (gains)/losses	(230,000)	142,000
Benefits paid	(11,000)	(18,000)
	<u>2,216,000</u>	<u>1,175,000</u>

The Moorlands Primary Federation
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Notes to the financial statements
For the Year Ended 31 August 2018

22. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	506,000	304,000
Fair value of scheme assets transferred on conversion	453,000	-
Interest income	25,000	7,000
Actuarial gains	42,000	134,000
Employer contributions	104,000	62,000
Employee contributions	27,000	17,000
Benefits paid	(11,000)	(18,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,146,000	506,000
	<hr/> <hr/>	<hr/> <hr/>

23. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	408	2,454
Between 1 and 5 years	-	408
	<hr/>	<hr/>
Total	408	2,862
	<hr/> <hr/>	<hr/> <hr/>

24. 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.

25. Related party transactions

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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 £3,013 (2017 - £1,180) during the year. There were no amounts outstanding at 31 August 2018 (2017 - £nil).

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

The Academy trust sold services totalling £4,560 (2017 - £3,600). There were no amounts outstanding at the 31 August 2018 (2017 - £Nil).

Perrins Design Associates Ltd in which Tina Perrins is the spouse of a Director and shareholder:

Tina Perrins was appointed as a trustee on 5 October 2017 and resigned on 3 September 2018. The work of Perrins Design Associates Ltd was commissioned by the third party project managers for The Valley boiler and heating capital project. The work carried out by Perrins Design Associates Ltd was completed prior to 1 September 2017, the cost of £5,437 (2017 - £nil) has been capitalised during the year. There were no amounts outstanding at the 31 August 2018 (2017 - £Nil).

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

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2017.