

The Moorlands Primary Federation

Trustees report and financial statements

For the year ended 31 August 2016



The Moorlands Primary Federation
(A company limited by guarantee)

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Reference and administrative details of the academy, its trustees and advisers
For the year ended 31 August 2016

Members

Church of England Central Education Trust
Ms C Richardson
Mr E Chell
Ms E Hulse
Mr J Ratcliffe

Trustees

Mr E Chell, Chair of Trustees¹
Mr J Eccles, Head Teacher¹
Mr S Hill¹
Ms E Hulse, Vice Chair¹
Mr J Ratcliffe, Vice Chair¹
Ms L Smith
Mr I Walford
Mr C Hopkins (resigned 7 July 2016)
Ms M McAthey (resigned 25 April 2016)
Rev C Richardson (resigned 5 October 2016)
Ms H Worthington-Davis (resigned 27 January 2016)

¹ Members of the HR and Finance Committee

Company registered number

9378112

Company name

The Moorlands Primary Federation

Principal and registered office

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

Senior management team

J Eccles, Executive Head Teacher
A Brayford, Head Teacher at St. Werburgh's C. E. (A) Primary School
M Stanlake, Assistant Head Teacher at St Werbergh's C.E. (A) Primary School
L Keeling, School Leader at Dilhorne Endowed C.E. (A) Primary School
N Ainsworth, School Leader at The Valley Primary School
A Cooper, Federation Administration Leader

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
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Trustees' report
For the year ended 31 August 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The Moorlands Primary Federation was incorporated on January 7th 2015 as a company limited by guarantee (company number 9378112) and an exempt charity. On September 1st 2015, St. Werburgh's C. E. (A) Primary School, Dilhorne Endowed C. E. (A) Primary School and The Valley Primary School converted from Local Authority schools to The Moorlands Primary Federation. The Multi-Academy Trust was formed with the agreement of the full Governing Body and adoption of the Memorandum and Articles of Association. The Charitable Company's memorandum 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.

Method of recruitment and appointment or election of Directors

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

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.

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Trustees' report (continued)
For the year ended 31 August 2016

Organisational structure

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

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

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

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

Arrangements for setting pay and remuneration of key management personnel

The Trust uses an amended version of the Staffordshire County Council Pay Policy, amended by our Human Resources Advisor provider - 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 the Executive Headteacher and the Executive Headteacher's performance management is reviewed by an external provider.

Related Parties and other Connected Charities and Organisations

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

Objectives and Activities

Objects and aims

- To provide high-quality education in each of our schools.
- To serve our respective communities and fulfil the Statement of Entitlement from the Board of Education/National Society.
- Provide every child with new life-enriching experiences, instilling a passion and desire for learning.
- Develop a highly-skilled teaching and learning team sharing good practice.
- Further develop our MAT into a robust and resilient high-performing 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, Strategies and Activities

- Each school will have a dynamic School Leader who will be responsible for the day-to-day running of each site. In our larger schools, we will support of School Leaders with Deputies/Assistants, Senior Leaders and Key Stage Leaders.
- School Leaders will be accountable to the EXHT who will be accountable to The Moorlands Primary Federation Trust Board.
- Appropriate School policies will be shared to avoid unnecessary repetition and to ensure best practice, whilst not 'cloning' each school, as the uniqueness should be celebrated.
- Our Federation Subject Leaders (FSL) - including SLE and subject leaders will be proactive in their work to raise standards (plan, do, review). Their work will be organised via our annual Cycle of School Improvement strategic plan. The FSLs will report to the EXHT (regularly) and Teaching and Learning Committee on a half-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.
- Their 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 system.
- As a MAT we will provide a bespoke broad and balanced curriculum that provides high-quality opportunities for all children – meeting the needs of our learners.

Public benefit

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

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Trustees' report (continued)
For the year ended 31 August 2016

Strategic Report

Achievements and performance and Key Performance Indicators

Reception class Data 2016

	St Werburghs (17)	Dilhorne (12)	The Valley (1)	Great Wood (12)	National 2015	Staffs 2015
% of good level of development achieved (*)	82%	92%	80%	83%	66%	70%
EYFS Profile Average 2016	38	41.2	34	39	34	36
% of 'expected' or 'exceeding' in reading	88%	92%	100%	92%	76%	79%
% of 'expected' or 'exceeding' in writing	82%	92%	80%	92%	70%	73%
% of 'expected' or 'exceeding' in number	88%	92%	80%	92%	77%	72%
% of children attaining expected or exceeding in all 17 areas of learning	82%	92%	80%	83%	64%	67.9%

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

Year 1 Phonics Screening Tests

Year 1 Phonics Screening Test 2016	Percentage Passed	
	Year 1	Year 2 (retest)
St. Werburgh's C. E. (A) Primary School	91% (22)	83% (6)
Dilhorne Endowed C. E. (A) Primary School	67% (6)	50% (2)
The Valley Primary School	43% (7)	50% (2)
Great Wood Primary School	81% (16)	100% (3)
National average 2015	77%	

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Trustees' report (continued)
For the year ended 31 August 2016

Year 2 Teacher Assessment Data 2016

	Reading			
	St. Werburgh's (20)	The Valley (3)	Dilthorne (4)	Great Wood (15)
Test Results (100 or above)	75%	67%	50%	67%
Teacher Assessment (working at expected or above)	85%	67%	75%	80%

	Writing			
	St. Werburgh's (20)	The Valley (3)	Dilthorne (4)	Great Wood (15)
Teacher Assessment (working at expected or above)	85%	0%	75%	80%

	Spelling Punctuation and Grammar			
	St. Werburgh's (20)	The Valley (3)	Dilthorne (4)	Great Wood (15)
Test Results (100 or above)	70%	33%	50%	67%

	Maths			
	St. Werburgh's (20)	The Valley (3)	Dilthorne (4)	Great Wood (15)
Test Results (100 or above)	75%	67%	50%	67%
Teacher Assessment (working at expected or above)	75%	67%	75%	80%

	Science			
	St. Werburgh's (20)	The Valley (3)	Dilthorne (3)	Great Wood (15)
Teacher Assessment (working at expected or above)	75%	67%	75%	93%

Year 6 SATs Data 2016

	Reading				
	St. Werburgh's (25)	The Valley (6)	Dilthorne (4)	Great Wood (15)	National
Test Results (100 or above)	72%	83%	75%	93%	66%
Teacher Assessment (working at expected or above)	84%	83%	75%	100%	
Average Scaled Score	104	106	102	107	103

	Writing				
	St. Werburgh's (25)	The Valley (6)	Dilthorne (4)	Great Wood (15)	National
Teacher Assessment (working at expected or above)	80%	67%	50%	93%	74%

	Spelling Punctuation and Grammar				
	St. Werburgh's (25)	The Valley (6)	Dilthorne (4)	Great Wood (15)	National
Test Results (100 or above)	72%	83%	50%	93%	72%
Average Scaled Score	104	106	100	107	104

	Maths				
	St. Werburgh's (25)	The Valley (6)	Dilthorne (4)	Great Wood (15)	National
Test Results (100 or above)	72%	83%	50%	100%	70%
Teacher Assessment (working at expected or above)	84%	83%	75%	100%	
Average Scaled Score	103	106	97	108	103

	Reading, Writing and Maths combined				
	St. Werburgh's (25)	The Valley (6)	Dilthorne (4)	Great Wood (15)	National
Expected standard	75%	67%	25%	87%	53%

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Trustees' report (continued)
For the year ended 31 August 2016

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.

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 received 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 Funding Agency (EFA). Funding from the EFA is shown as restricted funds in the Statement of Financial Activities. During the year to 31 August 2016, the Academy received GAG of £1,047,811 in addition to other income sources. The analysis of the specific grants and income received can be seen within notes 2 to 5 to the financial statements.

During the year to 31 August 2016, total resources expended are £1,396,889 excluding depreciation. Depreciation of £21,599 has been charged during the year against the restricted fixed asset fund.

The excess of income over expenditure for the period (excluding the movement in the pension reserve and restricted fixed asset fund) was £285,878.

At 31 August 2016, the net book value of tangible fixed assets totalled £953,851 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 31 August 2016 amount to £285,878 (excluding the pension reserve and restricted fixed asset fund).

Investment 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 three separate imprest accounts (one for The Valley, St Werburgh's and Dilhorne).

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Trustees' report (continued)
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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 Audit and Risk 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 wide range of matters.

Plans for future periods

The MAT will welcome Great Wood Primary School in February 2017 as a converter academy.

We have been requested by the DfE, Diocese and Local Authority to sponsor a local school currently in Special Measures. This is currently being considered by the Trust Board.

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Trustees' report (continued)
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Disclosure of information to auditors

Insofar as the trustees are aware:

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

This report was approved by order of the board of trustees as the company directors, on 6 December 2016 and signed on its behalf by:



Mr E Chell
Chair of Trustees

The Moorlands Primary Federation
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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 of loss.

The board of Directors has delegated the day-to-day responsibility to the Executive Headteacher as accounting officer for ensuring financial controls conform with the requirements of both property 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 of 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 6 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 E Chell, Chair of Trustees	5	6
Rev Carol Richardson	5	6
Kay Hulse	5	6
John Ratcliffe	6	6
Ian Walford	6	6
Shaun Hill	5	6
Lisa Smith	3	6
Jared Eccles	6	6
Mrs Louise McAthey	3	6
Mrs Heidi Worthington-Davis	3	4

Mrs Louise McAthey resigned from her position as a Trustee on 25th April 2016. Mrs Heidi Worthington-Harris resigned from her position as a Trustee on 27th January 2016.

As a Trust made up of church schools, the Church of England Central Education Trust (CECET) has a seat on our Member board. Mr Colin Hopkins as Director of Education currently occupies this position but has not attended any of our meetings as he fulfils this role on all CECET academies.

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's staffing structure and reviewing payscales on an annual basis.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr E Chell, Chair of Trustees	4	4
Mr S Hill	4	4
Mr J Ratcliffe, Vice Chair	3	4
Ms E Hulse, Vice Chair	2	4
Mr J Eccles, Head Teacher	4	4

Governance Statement (continued)

Review of Value for money

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

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

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

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

The 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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Moorlands Primary Federation for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the HR 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.

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Governance Statement (continued)

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 termly basis the reviewer reports to the board of trustees, through the HR and Finance Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As accounting officer, the Executive Headteacher of The Moorlands Primary Federation has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of Mrs Sandra Carr (Finance Manager) and Mrs Sandra Atkinson (School Business Manager) of The Cheadle Academy;
- the work of the external auditors;
- the work of the office managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 6 December 2016 and signed on their behalf, by:



Mr E Chell
Chair of Trustees



Mr J Eccles
Accounting Officer

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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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust 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 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board and EFA.



Mr J Eccles
Accounting Officer

Date: 6 December 2016

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Statement of Trustees' responsibilities
For the year ended 31 August 2016

The Trustees (who act as governors of The Moorlands Primary Federation and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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:

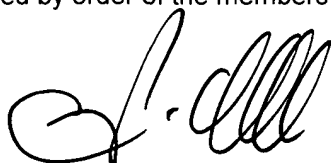
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 6 December 2016 and signed on its behalf by:



Mr E Chell
Chair of Trustees

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

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- 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.

Dains LLP

Simon Hawkins (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

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

Date:

6 December 2016

The Moorlands Primary Federation
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 18 November 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Moorlands Primary Federation 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 EFA, 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditor
Chartered Accountants

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

Date: 6 December 2016

The Moorlands Primary Federation
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the year ended 31 August 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion (note 20)	2	224,973	(496,000)	797,111	526,084	-
Other donations and capital grants	2	202	-	268,220	268,422	-
Charitable activities	3	-	1,371,013	-	1,371,013	-
Other trading activities	4	66,652	-	-	66,652	-
Investments	5	347	-	-	347	-
Total income		292,174	875,013	1,065,331	2,232,518	-
Expenditure on:						
Raising funds		58,233	-	-	58,233	-
Charitable activities		-	1,338,656	21,599	1,360,255	-
Total expenditure	6	58,233	1,338,656	21,599	1,418,488	-
Net income / (expenditure) before transfers		233,941	(463,643)	1,043,732	814,030	-
Transfers between Funds	16	(22,731)	3,311	19,420	-	-
Net income / (expenditure) before other recognised gains and losses		211,210	(460,332)	1,063,152	814,030	-
Actuarial losses on defined benefit pension schemes	21	-	(64,000)	-	(64,000)	-
Net movement in funds		211,210	(524,332)	1,063,152	750,030	-
Reconciliation of funds:						
Total funds brought forward		-	-	-	-	-
Total funds carried forward		211,210	(524,332)	1,063,152	750,030	-

All of the academy's activities derive from acquisitions in the current financial year.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 22 to 47 form part of these financial statements.

The Moorlands Primary Federation
(A company limited by guarantee)
Registered number: 9378112

Balance sheet
As at 31 August 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	13		953,851		-
Current assets					
Debtors	14	88,853		-	
Cash at bank and in hand		508,933		-	
		<u>597,786</u>		-	
Creditors: amounts falling due within one year	15	(202,607)		-	
Net current assets			395,179		-
Total assets less current liabilities			1,349,030		-
Defined benefit pension scheme liability	21	(599,000)		-	
Net assets including pension scheme liabilities			<u>750,030</u>		-
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	74,668		-	
Restricted fixed asset funds	16	1,063,152		-	
Restricted income funds excluding pension liability		1,137,820		-	
Pension reserve		(599,000)		-	
Total restricted income funds			538,820		-
Unrestricted income funds	16		211,210		-
Total funds			<u>750,030</u>		-

The financial statements were approved by the Trustees, and authorised for issue, on 6 December 2016 and are signed on their behalf, by:

Mr E Chell
Chair of Trustees



The notes on pages 22 to 47 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 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	193,733	-
Cash flows from investing activities:			
Dividends, interest and rents from investments		347	-
Purchase of tangible fixed assets		(178,339)	-
Capital grants from DfE/EFA		268,219	-
Cash transferred on conversion to an academy trust		224,973	-
Net cash provided by investing activities		315,200	-
Change in cash and cash equivalents in the year		508,933	-
Cash and cash equivalents brought forward		-	-
Cash and cash equivalents carried forward	19	508,933	-

All of the cash flows are derived from acquisitions in the current financial year.

The Moorlands Primary Federation
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2016

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

First time adoption of FRS 102

These financial statements are the first financial statements of The Moorlands Primary Federation prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Moorlands Primary Federation for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1. Accounting policies (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

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

Charitable activities and Governance costs are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

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

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

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

1.10 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.

1.11 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Taxation

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

1.13 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, 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.

1. Accounting policies (continued)

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

1.14 Fund accounting

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

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

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

1. Accounting policies (continued)

1.15 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 the mainstream schools 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 2015, the Federation was gifted the school sites by the Staffordshire County Council on a 125 year lease. For one school, the school site, value is based upon the valuation provided by the EFA under the depreciated replacement cost for specialised assets as set out in Financial Reporting Standard 102 (section 17). The school site has been credited as a donation in the Restricted Fixed Asset Funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

In addition, playing fields and land have also been transferred on conversion for all three of the schools, on a 125 year lease from Staffordshire County Council. These assets have been credited as a donation in the Restricted Fixed Asset Funds column of the Statement of Financial Activities and included within tangible fixed assets on the balance sheet.

Other fixed assets

Other fixed assets comprising fixtures and fittings and IT equipment were transferred to the academy on 1 September 2015. These assets have been credited as a donation in the Restricted Fixed Asset Funds column of the Statement of Financial Activities and 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 Moorlands Primary Federation on 1 September 2015. The deficit on the Local Government Pension Scheme 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 2015 in respect of the maintained schools and school funds were transferred to The Moorlands Primary 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. Accounting policies (continued)

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements 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 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Leasehold land and buildings

Under 125 year lease:

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

2 year licence:

The academy trust company occupies:

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

In respect of;

- (a) a figure is entered that reflects 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 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 2016

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donated on conversion (note 20)	224,973	(496,000)	797,111	526,084	-
Donations	202	-	-	202	-
Capital Grants	-	-	268,220	268,220	-
Total donations and capital grants	225,175	(496,000)	1,065,331	794,506	-

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £ NIL was to restricted funds

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,047,811	1,047,811	-
Start-up grants	-	116,590	116,590	-
Other DfE/EFA grants	-	125,918	125,918	-
	-	1,290,319	1,290,319	-
Other government grants				
Local authority grants	-	2,759	2,759	-
Special educational projects	-	27,230	27,230	-
	-	29,989	29,989	-
Other funding				
Other income	-	7,533	7,533	-
Catering income	-	22,492	22,492	-
Educational trip income	-	20,680	20,680	-
	-	50,705	50,705	-
	-	1,371,013	1,371,013	-

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £ NIL was to restricted funds.

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Notes to the financial statements
For the year ended 31 August 2016

4. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	2,100	-	2,100	-
Teachers Miscellaneous income	39,906	-	39,906	-
Training and consultancy income	10,082	-	10,082	-
Other income	4,564	-	4,564	-
Teacher insurance income	10,000	-	10,000	-
	<u>66,652</u>	<u>-</u>	<u>66,652</u>	<u>-</u>

In 2015, of the total income from other trading activities, £ NIL was to unrestricted funds and £ NIL was to restricted funds.

5. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	347	-	347	-

In 2015, of the total investment income, £ NIL was to unrestricted funds and £ NIL was to restricted funds.

6. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	49,988	-	8,245	58,233	-
Activities:					
Direct costs	795,390	-	103,483	898,873	-
Support costs	134,908	78,740	247,734	461,382	-
	<u>980,286</u>	<u>78,740</u>	<u>359,462</u>	<u>1,418,488</u>	<u>-</u>

In 2015, of the total expenditure, £NIL was to unrestricted funds and £NIL was was to restricted funds.

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Notes to the financial statements
For the year ended 31 August 2016

7. Charitable activities

	Total funds 2016 £	<i>Total funds 2015 £</i>
Direct costs - educational operations		
Wages and salaries	631,777	-
National insurance	34,656	-
Pension cost	128,957	-
Depreciation	8,065	-
Technology costs	21,224	-
Educational supplies	6,509	-
Educational consultancy	16,236	-
Educational trip costs	17,523	-
Other direct costs	33,926	-
	<u>898,873</u>	<u>-</u>
Support costs - educational operations		
Wages and salaries	107,083	-
National insurance	5,547	-
Pension cost	22,277	-
Depreciation	13,534	-
LGPS net finance costs	19,000	-
Technology costs	20,357	-
Staff development	15,965	-
Educational consultancy	14,017	-
Recruitment and support	648	-
Maintenance of premises and equipment	14,794	-
Cleaning	35,993	-
Rent & rates	2,519	-
Energy costs	25,146	-
Insurance	5,350	-
Catering	84,096	-
Bank interest and charges	246	-
Other support costs	11,898	-
Governance costs	62,912	-
	<u>461,382</u>	<u>-</u>
	<u><u>1,360,255</u></u>	<u><u>-</u></u>

The Moorlands Primary Federation
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Notes to the financial statements
For the year ended 31 August 2016

8. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	21,599	-
Auditors' remuneration - audit	6,500	-
Auditors' remuneration - other services	1,800	-
Operating lease rentals	1,556	-
	<u>21,955</u>	<u>-</u>

9. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	768,057	-
Social security costs	40,204	-
Operating costs of defined benefit pension schemes	151,234	-
	<u>959,495</u>	<u>-</u>
Supply teacher costs	20,791	-
	<u>980,286</u>	<u>-</u>

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

	2016 No.	2015 No.
Teachers	9	0
Administration and support	27	0
Management	6	0
	<u>42</u>	<u>0</u>

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

	2016 No.	2015 No.
In the band £70,001 - £80,000	1	0

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £323,215 (2015: £nil).

10. Trustees' remuneration and expenses

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

		2016	2015
		£	£
Mr J Eccles, Head Teacher	Remuneration	70,000-75,000	0
	Pension contributions paid	10,000-15,000	0

During the year, no Trustees received any benefits in kind (2015: £nil).

During the year, no Trustees received any reimbursement of expenses (2015: £nil).

11. Central services

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

- financial services
- professional services
- human resources

The academy charges for these services on the following basis:

13% of the General Annual Grant (GAG)

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
St. Werburgh's C. E. (A) Primary School	78,730	-
Dilhorne Endowed C. E. (A) Primary School	30,285	-
The Valley Primary School	28,255	-
	137,270	-
Total	137,270	-

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.

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Notes to the financial statements
For the year ended 31 August 2016

13. Tangible fixed assets

	Long-term leasehold property £	Buildings Improve- ment £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 September 2015	-	-	-	-	-	-
Additions	-	160,021	6,041	1,385	10,892	178,339
Donated on conversion	753,456	-	-	22,634	21,021	797,111
At 31 August 2016	<u>753,456</u>	<u>160,021</u>	<u>6,041</u>	<u>24,019</u>	<u>31,913</u>	<u>975,450</u>
Depreciation						
At 1 September 2015	-	-	-	-	-	-
Charge for the year	11,176	95	-	2,263	8,065	21,599
At 31 August 2016	<u>11,176</u>	<u>95</u>	<u>-</u>	<u>2,263</u>	<u>8,065</u>	<u>21,599</u>
Net book value						
At 31 August 2016	<u>742,280</u>	<u>159,926</u>	<u>6,041</u>	<u>21,756</u>	<u>23,848</u>	<u>953,851</u>
At 31 August 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

14. Debtors

	2016 £	2015 £
Trade debtors	1,112	-
VAT recoverable	41,689	-
Prepayments and accrued income	46,052	-
	<u>88,853</u>	<u>-</u>

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15. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	59,124	-
Other taxation and social security	26,320	-
Other creditors	17,217	-
Accruals and deferred income	99,946	-
	202,607	-
	2016	2015
	£	£
Deferred income		
Resources deferred during the year	33,244	-

At the balance sheet date the academy trust was holding funds received in advance for grants that relate to the 2016/17 academic year.

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16. Statement of funds

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

16. Statement of funds (continued)

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

Unrestricted General Funds

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

Restricted General Funds

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

Pension reserve

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

Restricted Fixed Asset Fund

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	<i>Total 2015 £</i>
St. Werburgh's C. E. (A) Primary School	125,658	-
Dilhorne Endowed C. E. (A) Primary School	46,241	-
The Valley Primary School	56,473	-
Federation funds	57,506	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	285,878	-
Restricted fixed asset fund	1,063,152	-
Pension reserve	(599,000)	-
	<hr/>	<hr/>
Total	750,030	-
	<hr/> <hr/>	<hr/> <hr/>

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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 2016 £	Total 2015 £
St. Werburgh's C. E. (A) Primary School	477,387	33,194	34,325	154,206	699,112	-
Dilhorne Endowed C. E. (A) Primary School	126,248	34,792	19,504	47,863	228,407	-
The Valley Primary School	121,687	29,162	20,994	46,977	218,820	-
Federation costs	109,975	47,841	3,072	89,663	250,551	-
	<u>835,297</u>	<u>144,989</u>	<u>77,895</u>	<u>338,709</u>	<u>1,396,890</u>	

17. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	953,851	953,851	-
Current assets	211,210	277,275	109,301	597,786	-
Creditors due within one year	-	(202,607)	-	(202,607)	-
Provisions for liabilities and charges	-	(599,000)	-	(599,000)	-
	<u>211,210</u>	<u>(524,332)</u>	<u>1,063,152</u>	<u>750,030</u>	<u>-</u>

Of the £109,301 of capital grants carried forward there was a capital commitment as at 31 August 2016 of £90,855.

Notes to the financial statements
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18. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	814,030	-
Adjustment for:		
Depreciation charges	21,599	-
Dividends, interest and rents from investments	(347)	-
Increase in debtors	(88,853)	-
Increase in creditors	202,608	-
Capital grants from DfE and other capital income	(268,220)	-
Defined benefit pension scheme obligation inherited	496,000	-
Defined benefit pension scheme cost less contributions payable	(52,000)	-
Defined benefit pension scheme finance cost	91,000	-
Net (loss) on assets and liabilities from local authority on conversion	(797,111)	-
Cash transferred on conversion to an academy trust	(224,973)	-
Net cash provided by operating activities	193,733	-

19. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	508,933	-
Total	508,933	-

20. Conversion to an academy trust

On 1 September 2015 the mainstream schools, as listed on page 2, 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.

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20. Conversion to an academy trust (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	753,456	753,456
- Other tangible fixed assets	-	-	43,655	43,655
Budget surplus/(deficit) on LA funds	184,917	-	-	184,917
Budget surplus/(deficit) on other school funds	40,056	-	-	40,056
LGPS pension surplus/(deficit)	-	(496,000)	-	(496,000)
Net assets/(liabilities)	<u>224,973</u>	<u>(496,000)</u>	<u>797,111</u>	<u>526,084</u>

The above net assets include £224,973 that were transferred as cash.

St. Werburgh's C. E. (A) Primary School and Dilhorne Endowed C. E. (A) Primary School leasehold rights to the school's playing fields were transferred to The Moorlands Primary Federation from Staffordshire County Council for £NIL consideration. The basis for this valuation is detailed in the accounting policies in note 1.

The Valley Primary School leasehold land and buildings, being the school land, building and playing fields have been transferred on a 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 2015 in respect of employees of the maintained school that have transferred to the multi academy trust. The basis of this valuation is detailed in the accounting policies in note 1 and note 21.

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

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St. Werburgh's C. E. (A) Primary School

On 1 September 2015 St. Werburgh's C. E. (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 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 £	<i>Restricted fixed asset funds £</i>	Total funds £
Tangible fixed assets	-	-	-	-
Leasehold land and buildings	-	-	62,247	62,247
- Other tangible fixed assets	-	-	27,140	27,140
Other assets	-	-	-	-
Budget surplus/(deficit) on LA funds	86,475	-	-	86,475
Budget surplus/(deficit) on other school funds	39,153	-	-	39,153
Total (excluding LGPS pension deficit)	125,628	-	89,387	215,015

The above net assets include £125,628 that were transferred as cash.

The leasehold rights to the school's playing fields were transferred to The Moorlands Primary Federation from Staffordshire County Council for £NIL consideration. The basis for this valuation is detailed in the accounting policies in note 1.

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The Valley Primary School

On 1 September 2015 The Valley 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 £	<i>Restricted fixed asset funds £</i>	<i>Total funds £</i>
Tangible fixed assets	-	-	-	-
Leasehold land and buildings	-	-	606,835	606,835
- Other tangible fixed assets	-	-	3,065	3,065
Other assets	-	-	-	-
Budget surplus/(deficit) on LA funds	53,159	-	-	53,159
Budget surplus/(deficit) on other school funds	651	-	-	651
	<hr/>	<hr/>	<hr/>	<hr/>
Total (excluding LGPS pension deficit)	53,810	-	609,900	663,710

The above net assets include £53,810 that were transferred as cash.

The leasehold land and buildings, being the school land, building and playing fields have been transferred on a 125 year lease from Staffordshire County Council for £nil consideration. The basis for this valuation is detailed in the accounting policies in note 1.

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Dilhorne Endowed C. E. (A) Primary School

On 1 September 2015 Dilhorne Endowed C. E. (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 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 £	<i>Restricted fixed asset funds £</i>	Total funds £
Tangible fixed assets	-	-	-	-
Leasehold land and buildings	-	-	84,374	84,374
- Other tangible fixed assets	-	-	13,450	13,450
Other assets	-	-	-	-
Budget surplus/(deficit) on LA funds	45,283	-	-	45,283
Budget surplus/(deficit) on other school funds	252	-	-	252
Total (excluding LGPS pension deficit)	45,535	-	97,824	143,359

The above net assets include £45,535 that were transferred as cash.

The leasehold rights to the school's playing fields were transferred to The Moorlands Primary Federation from Staffordshire County Council for £NIL consideration. The basis for this valuation is detailed in the accounting policies in note 1.

21. Pension commitments

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

As described in note 20 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the 01 September 2015. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £18,311 were payable to the schemes at 31 August 2016 (2015 - £nil) and are included within creditors.

21. Pension commitments (continued)

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £68,000 (2015 - £nil).

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

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

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21. Pension commitments (continued)

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 2016 was £67,000 (2015 - £nil), of which employer's contributions totalled £52,000 (2015 - £nil) and employees' contributions totalled £15,000 (2015 - £nil). The agreed contribution rates for future years are 22.2-24.2% for employers and 5.5% - 9.9% 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:

	2016	2015
Discount rate for scheme liabilities	2.10 %	- %
Rate of increase in salaries	2.50 %	- %
Rate of increase for pensions in payment / inflation	2.10 %	- %
Inflation assumption (CPI)	3.00 %	- %
Commutation of pensions to lump sums	75.00 %	- %

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

	2016	2015
Retiring today		
Males	22.1	-
Females	24.3	-
Retiring in 20 years		
Males	24.3	-
Females	26.6	-

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	228,000	-
Debt instruments	34,000	-
Property	24,000	-
Cash	18,000	-
Total market value of assets	304,000	-

The actual return on scheme assets was £39,000 (2015 - £nil).

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21. Pension commitments (continued)

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(72,000)	-
Net interest cost	(19,000)	-
Total	(91,000)	-
Actual return on scheme assets	39,000	-

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

	2016 £	2015 £
Defined benefit obligation transferred on conversion	688,000	-
Current service cost	72,000	-
Interest cost	28,000	-
Contributions by employees	15,000	-
Actuarial losses	100,000	-
Closing defined benefit obligation	903,000	-

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

	2016 £	2015 £
Fair value of scheme assets transferred on conversion	192,000	-
Return on plan assets (excluding net interest on the net defined pension liability)	9,000	-
Actuarial gains and (losses)	36,000	-
Contributions by employer	52,000	-
Contributions by employees	15,000	-
Closing fair value of scheme assets	304,000	-

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22. Operating lease commitments

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	1,556	-
Between 1 and 5 years	654	-
Total	<u>2,210</u>	<u>-</u>

23. 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.

24. Related party transactions

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

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

The Federation purchased services from the Lichfield Diocesan Board of Education totalling £648 (2015: £nil) during the year. There were no amounts outstanding at 31 August 2016 (2015: £nil).

The Federation made the purchase at arms' length in accordance with its financial regulations.

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2015.

25. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 7 January 2015. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.