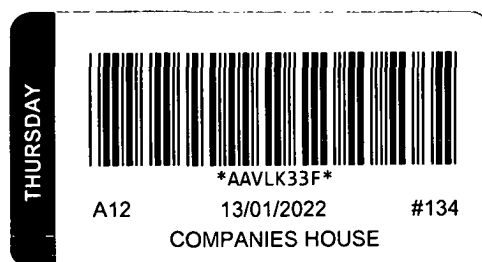


Company Registration Number: 08027205 (England & Wales)

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**



**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

Tarryn Lloyd Payne  
Andrew Carter  
Danielle James  
Chris Strong

**Governors**

Tarryn Lloyd Payne, Chair  
David Holmes, Vice Chair (resigned 12 October 2021)  
Robert Auty  
Nicholas Bowerman  
Emily Bradshaw (resigned 6 July 2021)  
David Chapman  
Michelle Dunwell, Staff Governor  
Rebecca Foster Snook  
Sarah Heslop (appointed 17 February 2021)  
Rachel Hope (appointed 17 February 2021)  
Peter King, Head Teacher and Accounting Officer  
Jacqueline Saint  
Gemma Scoffin (appointed 17 February 2021)  
Jamie Smith (resigned 3 September 2020)  
Diane Turner

**Company registered number**

08027205

**Company name**

Federation of Mowden Schools Academy Trust

**Principal and registered office**

C/o Mowden Junior School  
Conyers Avenue  
Darlington  
County Durham  
DL3 9DE

**Company secretary**

Angela Taylor

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Senior leadership team**

Peter King, Head Teacher  
Alistair Johnson, Deputy Head Teacher  
Lisa Bainbridge, Deputy Head Teacher  
Angela Taylor, School Business Manager

**Independent auditors**

Clive Owen LLP  
Chartered Accountants  
and Statutory Auditors  
140 Coniscliffe Road  
Darlington  
County Durham  
DL3 7RT

**Bankers**

Lloyds Bank plc  
21-23 Northgate  
Darlington  
County Durham  
DL1 1TL

**Solicitors**

Womble Bond Dickinson (UK) LLP  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
NE1 3DX

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The academy trust operates two primary academies in Darlington. Its academies have a combined pupil capacity of 611 and had a roll of 590 in the school census on 25 May 2021.

Pupils are admitted following the Academy Admissions policy and procedure.

**Structure, Governance and Management**

**Constitution**

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and Articles of Association are the primary governing documents of the academy trust.

The Governors of Federation of Mowden Schools Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as The Federation of Mowden Schools Academy Trust .

Details of the Governors who served during the year, and to the date these accounts are approved 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.

**Governors' Indemnities**

The academy trust has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business.

**Method of Recruitment and Appointment or Election of Governors**

The Members may appoint up to seven Governors. The term of office for any Governor shall be four years, save that this time limit shall not apply to the Head Teacher or any post held ex-officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

**Policies and Procedures Adopted for the Induction and Training of Governors**

The training and induction provided for new Governors depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the academies and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Structure, Governance and Management (continued)**

**Organisational Structure**

During the year the academy trust continued to operate a unified management structure:

- Governing Body
- Senior Leadership Team (consisting of Head Teacher, two Deputy Head Teachers and School Business Manager)
- Phase Leaders (consisting of 3 teaching staff)

The Governors are responsible for setting general policy, adopting an annual development plan and budget, monitoring the trust and making decisions regarding the direction of the academy, capital expenditure and staff appointments.

The Senior Leadership Team consists of a Head Teacher, two Deputy Head Teachers and School Business Manager.

The middle management of the academy trust is centred on the Phase Leaders. We have one middle manager (Phase Leader) responsible for overseeing the progress of pupils and the organisation of each phase; these are: Early Years Foundation Stage, years 1 and 2, years 3 and 4, and years 5 and 6.

The Head Teacher and the School Business Manager are responsible for the authorisation of spending within agreed budgets.

The Head Teacher, Deputy Head Teachers and the Phase Leaders are responsible for the day to day operation of the Federation, in particular organising the teaching staff, facilities and pupils.

The School Business Manager is responsible for the day to day financial operation of the academy and reports to the Board of Governors.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Head Teacher – Performance Management Review with External Adviser and two Governors appointed to the Head Teachers' Review Committee.

Deputy Head Teachers – Performance Management Review with the Head Teacher.

School Business Manager - Performance Management Review with the Head Teacher.

**Trade union facility time**

There were no employees who were relevant union officials during the period.

**Related Parties and other Connected Charities and Organisations**

There are no related parties which either control or significantly influence the decisions and operations of the academy trust.

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Structure, Governance and Management (continued)**

**Employee Consultation**

The academy trust provides information through the schools' Intranet system and consults with employees on matters affecting them using various communication methods.

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the academy trust. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust does this by adapting the physical environment by making support resources available and through training and career development.

**Objectives and Activities**

**Objects and Aims**

The principal objective and activity of the charitable company is the operation of the Federation of Mowden Schools Academy Trust to provide education for students of different abilities between the ages of 4 and 11.

In accordance with the Articles of Association, the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the academy trust during the year ended 31 August 2021 are as summarised below:

***Our Motto: Learning in Partnership***

We believe that everyone should contribute to the ethos of our schools; all staff, pupils, helpers, Governors and parents work together to enable all children to achieve their potential.

Good teamwork and supportive partnerships are essential in achieving the high standards we strive for. Our children are encouraged to be curious, polite, friendly and responsible and to take an active role within the local and global community.

**Federation Aims:**

- To create a learning community that challenges and supports
- To provide a caring environment where each individual is able to flourish
- To nurture confident, independent children
- To promote respect for all people, regardless of ability, religion, race or background
- To be aspirational, stimulating, happy, friendly and purposeful
- To forge links with the wider community and teach the children an awareness of their role in the outside world.

**Objectives, Strategies and Activities**

**Development Plan Objectives for 2020/21:**

- Ensure that all teachers use evidence-based teaching strategies across all subjects
- Implement a successful remote learning offer using Google Classroom
- Prioritise the curriculum to ensure that where children fall behind due to covid, this is only temporary

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 4 and 11.

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Objectives and Activities (continued)**

**Public Benefit**

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Governors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Governors have considered this guidance in deciding what activities the academy trust should undertake.

**Strategic Report**

**Achievements and Performance**

Due to COVID-19, no pupils were required to take national assessments in 2020 or 2021. Our history of achievement and performance is very strong however and we believe therefore that those children who moved up into secondary school this year will have done so with a thorough and rounded knowledge, ready for the next phase.

A reminder from 2019:

**Key Stage 1**

The percentage of pupils attaining the Expected Standard and also Greater Depth was well above the National Average in all subjects.

**Key Stage 2**

The percentage of pupils attaining the Expected Standard in the key stage two assessments tests was significantly above the national average for reading, writing and maths combined. This resulted in the average scaled score being significantly higher in all areas, including for the most able children. Children made higher progress than the national average. Using the updated three year average, our most disadvantaged children had the highest attainment when compared to the other 49 schools most similar to our nationally.

**Key Performance Indicators**

We measure a number of Key Performance Indicators within the academy trust. The main ones are set out below.

KPI 2020-2021	Approved Budget	Projected Outturn	Previous Year Outturn
Revenue reserve as a % of total income	17.78%	21.50%*	16.74%
Average teacher costs	£59,632	£59,962	£57,950
Pupil to teacher ratio	23	23	23
Spend on education support staff as % of total expenditure	14.01%	14.49%	15.05%
Spend on energy as % of total expenditure	1.13%	1.53%	1.29%

\*due to a successful CIF bid so a reduction in capital funded by revenue.

**Going Concern**

After making appropriate enquiries, the Board of Governors 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.



**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic Report (continued)**

**Financial Review**

Most of the academy trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the Department of Education/Education and Skills Funding Agency (DfE/ESFA) during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2021, total expenditure of £3,006,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding pension reserve movements and restricted fixed asset funds) was £76,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 August 2021, the net book value of fixed assets was £6,172,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £1,604,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2021 of £5,040,000 comprising £146,000 of restricted general funds, £6,172,000 of restricted fixed asset funds, a pension deficit of £1,604,000 and £326,000 of unrestricted funds.

**Reserves Policy**

The academy trust holds endowment (if applicable), restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- To provide funds which can be designated to specific areas such as pupil resources
- To cover ongoing costs in relation to the running of the academy trust including catering provisions, school trips and uniform costs

The level of reserves is reviewed by Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy trust is reviewed by the Governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors therefore consider it is prudent to hold reserves in the general fund in the form of restricted general funds (excluding pension reserves) and unrestricted funds of £210,000.

This is considered sufficient to cover an average month of expenses, in line with our Reserves Policy:

- Salaries
- Invoice payments

As at 31 August 2021 the academy trust holds available reserves of £472,000, comprising of restricted general funds (excluding pension reserves) of £146,000 and unrestricted funds of £326,000. The Governors continue to consider additional activities related to the academy trust's objectives to which the excess reserves may be applied.

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Investment Policy**

The academy trust invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

**Principal Risks and Uncertainties**

The principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA. In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust Balance Sheet.

The Governors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

**Fundraising**

The academy trust is supported by an active Parent Teacher Association, the Friends of Mowden.

**Plans for future periods**

Due to a sustained and significant falling birth rate in Darlington, Reception admission numbers have dropped across the town, including at Mowden Infants. Due to the detrimental financial impact, evident in the medium term financial plan, the academy trust undertook a consultation exercise and subsequent Published Admission Number reduction. With effect from September 2021, Mowden's Published Admission Number (PAN) will be 60 instead of 90.

**Disclosure of information to auditors**

Insofar as the Governors are aware:

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

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 24 November 2021 and signed on its behalf by:

  
**Tarryn Lloyd Payne**  
Chair

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Federation of Mowden Schools Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met five times during the year. The Board met less than six times due to the clearly established committees/portfolio groups of Governors who can deal with specific areas of responsibility following robust terms of reference.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Tarryn Lloyd Payne, Chair	5	5
David Holmes, Vice Chair (resigned 12 October 2021)	3	5
Robert Auty	5	5
Nicholas Bowerman	4	5
Emily Bradshaw (resigned 6 July 2021)	1	5
David Chapman	2	5
Michelle Dunwell, Staff Governor	1	5
Rebecca Foster Snook	5	5
Sarah Heslop (appointed 17 February 2021)	2	2
Rachel Hope (appointed 17 February 2021)	2	2
Peter King, Head Teacher and Accounting Officer	5	5
Jacqueline Saint	4	5
Gemma Scoffin (appointed 17 February 2021)	2	2
Jamie Smith (resigned 3 September 2020)	0	0
Diane Turner	5	5
Lisa Bainbridge, Observer	5	5
Alistair Johnson, Observer	5	5
Angela Taylor, SBM & Company Secretary	5	5

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The Finance and Audit Committee is a sub-committee of the main Board of Governors. Its purpose is to ensure sound financial management of the trust's resources including proper planning, monitoring and probity.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
David Holmes, Chair	3	3
Robert Auty	2	3
Nicholas Bowerman	3	3
David Chapman	3	3
Peter King, Head Teacher and Accounting Officer	3	3
Tarryn Lloyd Payne, Chair of Governors	2	3
Diane Turner	3	3
Angela Taylor, SBM & Company Secretary	3	3
Gemma Scoffin	1	1

**Review of value for money**

As Accounting Officer, the Head Teacher 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 Governors 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 following approachesby the following approaches:

**Improving Educational Results**

**Targeted Improvement**

Governors and the Senior Leadership Team regularly review the staffing structure in conjunction with the budget and school development plan. Staff are deployed efficiently to ensure that educational standards continue to improve. Alternative staffing structures are considered to ensure succession planning.

The academy trust monitors the progress of all pupils and is able to identify those not making expected progress. Small group or individual support is provided, as appropriate, for these pupils, across the whole spectrum of needs, to assist their progress.

**Focus on individual pupils**

An established mentoring programme is in place to enable every pupil to understand and achieve their potential. This process includes identifying the grade of each pupil at the start of the school year and monitoring their progress over time through a tracking system. The data from this process is analysed for effectiveness and to identify areas for additional support. Data analysis also includes looking at specific groups, for example, boys, and pupils receiving Pupil Premium funding.

Teaching Assistants are deployed effectively to provide additional support to individual pupils and smaller groups.

**Collaboration**

The Academy Trust regularly works with local primary and secondary schools to share good practice and achieve best value. This year, to support curriculum transition between primary and secondary schools, we are carrying out reciprocal Continuing Professional Development (CPD) with KS3/4 colleagues. Following the delivery of reading training for our secondary colleagues we have participated in 'Follow up Fortnight' for

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money (continued)**

children who moved on to the next phase. Secondary science colleagues have also delivered CPD for our teachers on upper KS2 'physical processes' leading to very effective curriculum transition.

Senior staff within the academy are highly regarded and hold wider responsibilities in Darlington and beyond. For example the Head Teacher is a trustee of Schools North East and one of our middle leaders takes a lead role on behalf of the Local Authority (LA) in moderating KS2 teacher assessments.

The School Business Manager (SBM) is a member, and Secretary, of the Darlington SBM Network. School Business Managers from member schools across the Darlington area meet regularly to discuss agenda items covering a broad spectrum of issues.

During 2020-21 a successful Condition Improvement Fund (CIF) bid was submitted for the replacement of boiler systems at Mowden Infant School in order to improve energy efficiency, improve cost efficiency and to maintain business operation. This replacement work was undertaken during the summer of 2021.

**Quantifying Improvements**

The most recent DfE release (September 2019) of their Value for Money efficiency metric tool puts Mowden Schools in the top 15% of similar schools nationally for VfM.

**Key Stage 1**

The percentage of pupils attaining the Expected Standard and also Greater Depth was well above the National Average in all subjects.

**Key Stage 2**

Progress and attainment in 2019 (the last year for which figures are available) were above or significantly above the national average across all subjects.

**Financial Governance and Oversight**

The Academy continues to work towards Governor Mark.

The Academy has a dedicated Finance and Audit Committee, who are responsible for determining the school's financial priorities linking these to the long term vision, the School Development Plan and directions given by the Full Governing Body.

Items for discussion and action by the committee are:

- To approve the start budget for the financial year
- To establish and maintain an up to date 3 year financial plan
- To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body
- To ensure that the school operates within the Financial Regulations
- To annually review and appoint the independent examiner (Internal Auditor) and the External Accountants, in line with ESFA guidelines
- To review appropriate financial benchmarking data, in order to compare the schools financial performance with other similar schools
- To ensure that ring fenced funding streams, such as Pupil Premium and PE and Sports Grant, will be used as directed and to maximum effect
- To make decisions on expenditure following recommendations from other committees
- To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised
- To determine whether sufficient funds are available for staff pay increments and increases
- Receive and review monthly management accounts
- To assess the possibility of further collaborative work with other education providers and business links that will allow for increased sharing of good practice
- To ensure that the academy is a going concern and will remain viable for the foreseeable future

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Federation of Mowden Schools Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Governors 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 Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**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 Governors
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Governors has decided to buy-in an internal audit service from Veritau.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of finance and business management
- testing of risk management

On a half yearly basis, the auditor reports to the Board of Governors through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities. The auditor annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the work of the internal auditor
- the work of the executive 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 Finance and Audit Committee and a plan to address weaknesses, where relevant, and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 24 November 2021 and signed on their behalf by:



**Tarryn Lloyd Payne**  
Governor

**Peter King**  
Accounting Officer



**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Federation of Mowden Schools Academy Trust I have considered my responsibility to notify the academy trust Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2020.

I confirm that I and the academy trust Board of Governors are able to identify any material irregular or improper use of all 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 2020.

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



**Peter King**  
Accounting Officer  
Date: 24 November 2021



**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors 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 Governors on 24 November 2021 and signed on its behalf by:



**Tarryn Lloyd Payne**  
Chair

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**

**Opinion**

We have audited the financial statements of Federation of Mowden Schools Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST (CONTINUED)**

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

**Responsibilities of Governors**

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

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

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST (CONTINUED)**

**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of noncompliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of governors and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of governors and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST (CONTINUED)**

*Clive Owen ul*

**Kevin Shotton BA BFP FCA (Senior Statutory Auditor)**

for and on behalf of

**Clive Owen LLP**

Chartered Accountants

and Statutory Auditors

140 Coniscliffe Road

Darlington

County Durham

DL3 7RT

Date: *21/1/24*

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST AND THE EDUCATION AND SKILLS  
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Federation of Mowden Schools Academy Trust during the year 1 September 2020 to 31 August 2021 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 Federation of Mowden Schools Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Federation of Mowden Schools Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Federation of Mowden Schools Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Federation of Mowden Schools Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Federation of Mowden Schools Academy Trust's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING  
AGENCY (CONTINUED)**

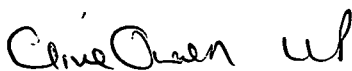
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Clive Owen LLP**

Reporting Accountant  
140 Coniscliffe Road  
Darlington  
County Durham  
DL3 7RT

Date: 27/4/21

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>Income from:</b>						
Donations and capital grants	3	-	-	118	118	383
Other trading activities	5	30	-	-	30	31
Investments	6	-	-	-	-	1
Charitable activities	4	40	2,742	-	2,782	2,514
<b>Total income</b>		<b>70</b>	<b>2,742</b>	<b>118</b>	<b>2,930</b>	<b>2,929</b>
<b>Expenditure on:</b>						
Charitable activities	7	41	2,777	188	3,006	2,809
<b>Total expenditure</b>		<b>41</b>	<b>2,777</b>	<b>188</b>	<b>3,006</b>	<b>2,809</b>
<b>Net income/(expenditure)</b>		<b>29</b>	<b>(35)</b>	<b>(70)</b>	<b>(76)</b>	<b>120</b>
Transfers between funds	17	-	(77)	77	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>29</b>	<b>(112)</b>	<b>7</b>	<b>(76)</b>	<b>120</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	23	-	(72)	-	(72)	(223)
<b>Net movement in funds</b>		<b>29</b>	<b>(184)</b>	<b>7</b>	<b>(148)</b>	<b>(103)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		297	(1,274)	6,165	5,188	5,291
Net movement in funds		29	(184)	7	(148)	(103)
<b>Total funds carried forward</b>		<b>326</b>	<b>(1,458)</b>	<b>6,172</b>	<b>5,040</b>	<b>5,188</b>

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

The notes on pages 25 to 53 form part of these financial statements.

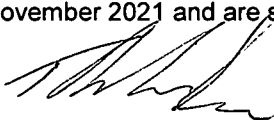


**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08027205**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible fixed assets	14	6,172	5,857
		<u>6,172</u>	<u>5,857</u>
<b>Current assets</b>			
Debtors	15	170	430
Cash at bank and in hand		572	514
		<u>742</u>	<u>944</u>
Creditors: amounts falling due within one year	16	(270)	(240)
<b>Net current assets</b>		<u>472</u>	<u>704</u>
<b>Total assets less current liabilities</b>		<u>6,644</u>	<u>6,561</u>
<b>Net assets excluding pension liability</b>		<u>6,644</u>	<u>6,561</u>
Defined benefit pension scheme liability	23	(1,604)	(1,373)
<b>Total net assets</b>		<u><u>5,040</u></u>	<u><u>5,188</u></u>
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	6,172	6,165
Restricted income funds	17	146	99
		<u>6,318</u>	<u>6,264</u>
Restricted funds excluding pension asset	17	6,318	6,264
Pension reserve	17	(1,604)	(1,373)
<b>Total restricted funds</b>	17	<u>4,714</u>	<u>4,891</u>
<b>Unrestricted income funds</b>	17	326	297
<b>Total funds</b>		<u><u>5,040</u></u>	<u><u>5,188</u></u>

The financial statements on pages 22 to 53 were approved by the Governors, and authorised for issue on 24 November 2021 and are signed on their behalf, by:

  
**Tarryn Lloyd Payne**  
Chair

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	443	159
<b>Cash flows from investing activities</b>	20	(385)	(126)
<b>Change in cash and cash equivalents in the year</b>		58	33
Cash and cash equivalents at the beginning of the year		514	481
<b>Cash and cash equivalents at the end of the year</b>	21, 22	572	514

The notes on pages 25 to 53 form part of these financial statements

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**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 historic 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

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

**1.3 Income**

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

• **Grants**

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**

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

• **Other income**

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.

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.4 Interest receivable**

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

**1.5 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.

• **Charitable activities**

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

All expenditure is inclusive of irrecoverable VAT.

**1.6 Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	- 50 years
Furniture and fixtures	- 7 years
Computer equipment	- 3 years
Leasehold land	- 123 years

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.

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.7 Liabilities and provisions**

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

**1.8 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.

**1.9 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**FEDERATION OF MOWDEN SCHOOLS ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**1. Accounting policies (continued)**

**1.10 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 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.

**1.11 Fund accounting**

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

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

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

**1.12 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.

**1.13 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.

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**1. Accounting policies (continued)**

**1.14 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**2. 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.

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

**Depreciation** – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £188,000.

Critical areas of judgement:

**Land** – Land is held under a 125 year lease from Darlington Borough Council. These assets are included on the Balance Sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

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**3. Income from donations and capital grants**

	Unrestricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	-	6	6	1
Capital Grants	-	112	112	382
	<u>-</u>	<u>118</u>	<u>118</u>	<u>383</u>
Total 2020	<u>1</u>	<u>382</u>	<u>383</u>	



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**4. Funding for the academy trust's educational operations**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,269	2,269	2,007
Other DfE/ESFA grants				
Pupil Premium	-	93	93	84
PE and Sport Premium	-	37	37	37
UFSM	-	93	93	95
Rates	-	8	8	8
Teachers' pay grant	-	28	28	28
Teachers' pension grant	-	81	81	79
Other DfE Group grants	-	5	5	-
	-	2,614	2,614	2,338
<b>Other Government grants</b>				
SEN	-	67	67	53
Local Authority grants	-	14	14	2
Other Government grants	-	-	-	53
	-	81	81	108
<b>Other income from the academy trust's academy's educational operations</b>	40	-	40	68
<b>COVID-19 additional funding (DfE/ESFA)</b>				
COVID-19 Catch-up funding	-	47	47	-
	-	47	47	-
	40	2,742	2,782	2,514
<b>Total 2020</b>	63	2,451	2,514	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust received £47,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £38,000. £9,000 of funding has been carried forward to 2021/22.

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**5. Income from other trading activities**

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Rental income	13	13	13
Other	17	17	18
	<u>30</u>	<u>30</u>	<u>31</u>
Total 2020	<u>31</u>	<u>31</u>	

**6. Investment income**

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Short term deposits	-	-	1
	<u>1</u>	<u>1</u>	
Total 2020	<u>1</u>	<u>1</u>	

**7. Expenditure**

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy trust's educational operations:					
Direct costs	2,163	-	78	2,241	2,196
Allocated support costs	165	346	254	765	613
	<u>2,328</u>	<u>346</u>	<u>332</u>	<u>3,006</u>	<u>2,809</u>
Total 2020	<u>2,214</u>	<u>252</u>	<u>343</u>	<u>2,809</u>	

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**7. Expenditure (continued)**

In 2021 of the total expenditure, £41,000 (2020 - £67,000) was to unrestricted funds, £188,000 (2020 - £166,000) was to restricted fixed asset funds and £2,777,000 (2020 - £2,576,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payment in the year.

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy's educational operations	2,241	765	3,006	2,809
Total 2020	2,196	613	2,809	

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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	2,163	2,129
Educational supplies	61	49
Staff development	3	4
Technology costs	14	14
	<hr/> 2,241	<hr/> 2,196
	<hr/> <hr/>	<hr/> <hr/>

**Analysis of support costs**

	Total funds 2021 £000	Total funds 2020 £000
Pension finance costs	22	18
Staff costs	165	85
Depreciation	188	166
Technology costs	31	35
Transport	1	24
Maintenance of premises	55	42
Cleaning	25	7
Other premises costs	25	14
Energy	35	28
Rent and rates	8	8
Insurance	13	13
Catering	123	107
Other costs	50	53
Governance costs	24	13
	<hr/> 765	<hr/> 613
	<hr/> <hr/>	<hr/> <hr/>

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**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	2	2
Depreciation of tangible fixed assets	188	166
Fees paid to auditors for:		
- audit	7	7
- other services	-	2
	<u>          </u>	<u>          </u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	1,674	1,614
Social security costs	155	148
Pension costs	499	452
	<u>          </u>	<u>          </u>
	<u>2,328</u>	<u>2,214</u>

Included in operating costs of defined benefit pension schemes is a debit of £137,000 (2020: £113,000) relating to the pension deficit actuarial adjustment.

**b. Staff numbers**

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

	2021 No.	2020 No.
Teachers	26	25
Administration and support	50	46
Management	3	4
	<u>          </u>	<u>          </u>
	<u>79</u>	<u>75</u>

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**10. Staff (continued)**

**c. Higher paid staff**

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

**d. Key management personnel**

The key management personnel of the academy trust comprise the Governors and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £391,000 (2020 £390,000).

**11. Central services**

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

- Human Resources;
- Financial Services;
- Legal Services;
- Education and Support Services; and
- Technology Support Services

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

The central services costs incurred during the year were £59,000 (2020: £63,000) and were split between the two different academies based upon student numbers.

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Mowden Infant School	24	26
Mowden Junior School	35	37
<b>Total</b>	<u>59</u>	<u>63</u>

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**12. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2021 £000	2020 £000
Peter King, Head Teacher and Accounting Officer	Remuneration	90 - 95	85 - 90
	Pension contributions paid	20 - 25	20 - 25
Alison Cockrill (resigned 18 November 2019)	Remuneration	-	10 - 15
	Pension contributions paid	-	0 - 5
Michelle Dunwell (Teacher)	Remuneration	40 - 45	40 - 45
	Pension contributions paid	10 - 15	10 - 15

During the year, no Governors received any benefits in kind (2020 - £Nil).

During the year ended 31 August 2021, travel and subsistence expenses totalled £Nil (2020 - £Nil).

**13. Governors' and Officers' insurance**

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors 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 Governors and officers indemnity element from the overall cost of the RPA scheme membership.

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**14. Tangible fixed assets**

	Leasehold property £000	Furniture and fixtures £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2020	6,546	248	316	7,110
Additions	295	175	33	503
At 31 August 2021	6,841	423	349	7,613
<b>Depreciation</b>				
At 1 September 2020	872	93	288	1,253
Charge for the year	128	39	21	188
At 31 August 2021	1,000	132	309	1,441
<b>Net book value</b>				
At 31 August 2021	5,841	291	40	6,172
At 31 August 2020	5,674	155	28	5,857

**15. Debtors**

	2021 £000	2020 £000
Trade debtors	3	-
Prepayments and accrued income	134	425
VAT recoverable	33	5
	170	430



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**16. Creditors: Amounts falling due within one year**

	2021 £000	2020 £000
Trade creditors	186	31
Accruals and deferred income	84	209
	<u>270</u>	<u>240</u>
	<u><u>270</u></u>	<u><u>240</u></u>
	2021 £000	2020 £000
<b>Deferred income</b>		
Deferred income at 1 September 2020	87	74
Resources deferred during the year	59	87
Amounts released from previous periods	(87)	(74)
	<u>59</u>	<u>87</u>
	<u><u>59</u></u>	<u><u>87</u></u>

At the Balance Sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals (UIFSM) and rates relief.

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**17. Statement of funds**

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>						
General Funds	287	68	(40)	-	-	315
School Fund	10	2	(1)	-	-	11
	<u>297</u>	<u>70</u>	<u>(41)</u>	<u>-</u>	<u>-</u>	<u>326</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	91	2,269	(2,161)	(77)	-	122
Pupil Premium	-	92	(92)	-	-	-
Other DfE/ESFA	8	253	(246)	-	-	15
SEN Funding	-	67	(67)	-	-	-
Other Government Grants	-	14	(14)	-	-	-
Covid 19 Catch Up Premium	-	47	(38)	-	-	9
Pension reserve	(1,373)	-	(159)	-	(72)	(1,604)
	<u>(1,274)</u>	<u>2,742</u>	<u>(2,777)</u>	<u>(77)</u>	<u>(72)</u>	<u>(1,458)</u>
<b>Restricted fixed asset funds</b>						
Assets transferred on conversion	3,012	-	(115)	-	-	2,897
Devolved Formula Capital	95	15	(15)	-	-	95
Condition Improvement Fund	743	98	(26)	-	-	815
Capital expenditure from GAG	108	-	(29)	77	-	156

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**17. Statement of funds (continued)**

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Capital expenditure from other funds	5	-	-	-	-	5
Donations	2,202	5	(3)	-	-	2,204
	<u>6,165</u>	<u>118</u>	<u>(188)</u>	<u>77</u>	<u>-</u>	<u>6,172</u>
<b>Total Restricted funds</b>	<b>4,891</b>	<b>2,860</b>	<b>(2,965)</b>	<b>-</b>	<b>(72)</b>	<b>4,714</b>
	<u>5,188</u>	<u>2,930</u>	<u>(3,006)</u>	<u>-</u>	<u>(72)</u>	<u>5,040</u>
<b>Total funds</b>	<b>5,188</b>	<b>2,930</b>	<b>(3,006)</b>	<b>-</b>	<b>(72)</b>	<b>5,040</b>

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**17. Statement of funds (continued)**

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

The General Annual Grant (GAG) must be used for the normal running costs of the academy trust including salaries and related costs, overheads, repairs and maintenance and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

PE and Sports Premium is to be used solely for the provision of sports within the school, including teaching costs relating to PE.

DfE/ESFA is made up of UIFSM and Rates. UIFSM is to be used solely for the provision of catering services. Rates is to be used solely for the purposes of paying the rates due on the building.

Teacher Pay Grant and Teacher Pension Grant is received solely to fund the increasing teacher salaries.

SEN Funding and Other Government Grants is to be spent providing extra support to pupils with special educational needs.

COVID-19 Catch-up premium is to be spent on resources to assist pupils to catch up on learning missed during COVID-19 pandemic.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

A transfer of £77,000 has been made to capital expenditure from GAG funding to reflect those items within fixed assets which have been purchased using restricted monies.

Unrestricted funds include the income from school trips, lettings and catering with relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**17. Statement of funds (continued)**

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
<b>Unrestricted funds</b>						
General Funds	256	95	(64)	-	-	287
School Fund	12	1	(3)	-	-	10
	<u>268</u>	<u>96</u>	<u>(67)</u>	<u>-</u>	<u>-</u>	<u>297</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	124	2,007	(2,009)	(31)	-	91
Pupil Premium	-	84	(84)	-	-	-
Other DfE/ESFA	-	28	(28)	-	-	-
Teacher Pension Grant	-	79	(79)	-	-	-
PE and Sport Premium	-	37	(29)	-	-	8
Other DfE/ESFA Grants	-	108	(108)	-	-	-
SEN Funding	-	53	(53)	-	-	-
Other Government Grants	-	55	(55)	-	-	-
Pension reserve	(1,019)	-	(131)	-	(223)	(1,373)
	<u>(895)</u>	<u>2,451</u>	<u>(2,576)</u>	<u>(31)</u>	<u>(223)</u>	<u>(1,274)</u>
<b>Restricted fixed asset funds</b>						
Assets transferred on conversion	3,077	-	(65)	-	-	3,012
Devolved Formula Capital	91	15	(11)	-	-	95

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**17. Statement of funds (continued)**

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Condition Improvement Fund	385	367	(9)	-	-	743
Capital expenditure from GAG	104	-	(27)	31	-	108
Capital expenditure from other funds	5	-	-	-	-	5
Donations	2,256	-	(54)	-	-	2,202
	<u>5,918</u>	<u>382</u>	<u>(166)</u>	<u>31</u>	<u>-</u>	<u>6,165</u>
<b>Total Restricted funds</b>	<u>5,023</u>	<u>2,833</u>	<u>(2,742)</u>	<u>-</u>	<u>(223)</u>	<u>4,891</u>
<b>Total funds</b>	<u><u>5,291</u></u>	<u><u>2,929</u></u>	<u><u>(2,809)</u></u>	<u><u>-</u></u>	<u><u>(223)</u></u>	<u><u>5,188</u></u>

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**17. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
Mowden Junior School	403	264
Mowden Infants School	69	132
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	472	396
Restricted fixed asset fund	6,172	6,165
Pension reserve	(1,604)	(1,373)
	<hr/>	<hr/>
<b>Total</b>	<b>5,040</b>	<b>5,188</b>
	<hr/> <hr/>	<hr/> <hr/>

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Mowden Junior School	1,137	122	37	258	1,554	1,433
Mowden Infants School	931	136	25	174	1,266	1,210
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Academy trust</b>	<b>2,068</b>	<b>258</b>	<b>62</b>	<b>432</b>	<b>2,820</b>	<b>2,643</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	6,172	6,172
Current assets	326	291	125	742
Creditors due within one year	-	(145)	(125)	(270)
Provisions for liabilities and charges	-	(1,604)	-	(1,604)
<b>Total</b>	<b>326</b>	<b>(1,458)</b>	<b>6,172</b>	<b>5,040</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	5,857	5,857
Current assets	297	339	308	944
Creditors due within one year	-	(240)	-	(240)
Provisions for liabilities and charges	-	(1,373)	-	(1,373)
<b>Total</b>	<b>297</b>	<b>(1,274)</b>	<b>6,165</b>	<b>5,188</b>



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**19. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2021 £000	2020 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(76)	120
<b>Adjustments for:</b>		
Depreciation	188	166
Capital grants from DfE and other capital income	(118)	(14)
Defined benefit pension scheme cost less contributions payable	137	113
Defined benefit pension scheme finance cost	22	18
Decrease in stocks	-	4
Decrease/(increase) in debtors	260	(369)
Increase in creditors	30	122
Dividends, interest and rents from investments	-	(1)
<b>Net cash provided by operating activities</b>	<b>443</b>	<b>159</b>

**20. Cash flows from investing activities**

	2021 £000	2020 £000
Dividends, interest and rents from investments	-	1
Purchase of tangible fixed assets	(503)	(141)
Capital grants from DfE Group	118	14
<b>Net cash used in investing activities</b>	<b>(385)</b>	<b>(126)</b>

**21. Analysis of cash and cash equivalents**

	2021 £000	2020 £000
Cash in hand and at bank	572	514
<b>Total cash and cash equivalents</b>	<b>572</b>	<b>514</b>

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**22. Analysis of changes in net debt**

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	514	58	572
	<u>514</u>	<u>58</u>	<u>572</u>

**23. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2021.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**23. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £269,000 (2020 - £266,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £122,000 (2020 - £111,000), of which employer's contributions totalled £93,000 (2020 - £83,000) and employees' contributions totalled £ 29,000 (2020 - £28,000). The agreed contribution rates for future years are 18.6% for employers and 5.5% - 12.5% 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**

	2021	2020
	%	%
Rate of increase in salaries	3.60	3.20
Rate of increase for pensions in payment/inflation	2.60	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.20
Commutation of pensions to lump sums	85.00	85.00

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**23. Pension commitments (continued)**

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

	2021 Years	2020 Years
Retiring today		
Males	22.3	22.2
Females	24.3	24.2
Retiring in 20 years		
Males	23.3	23.2
Females	25.8	25.7

**Sensitivity analysis**

	2021 £000	2020 £000
Discount rate +0.1%	(93)	(76)
Discount rate -0.1%	96	79
Mortality assumption - 1 year increase	(122)	(97)
Mortality assumption - 1 year decrease	126	97
CPI rate +0.1%	83	68
CPI rate -0.1%	(79)	(65)

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**23. Pension commitments (continued)**

**Share of scheme assets**

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

	2021 £000	2020 £000
Equities	966	659
Government bonds	264	319
Corporate bonds	295	196
Property	106	95
Cash	75	65
<b>Total market value of assets</b>	<b>1,706</b>	<b>1,334</b>

The actual return on scheme assets was £275,000 (2020 - £197,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £000	2020 £000
Current service cost	(230)	(309)
Interest income	24	21
Interest cost	(46)	(39)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(252)</b>	<b>(327)</b>

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

	2021 £000	2020 £000
<b>Opening defined benefit obligation</b>	<b>2,820</b>	<b>2,053</b>
Current service cost	230	309
Interest cost	46	39
Employee contributions	29	28
Actuarial losses	323	399
Benefits paid	(25)	(8)
<b>Closing defined benefit obligation</b>	<b>3,423</b>	<b>2,820</b>

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**23. Pension commitments (continued)**

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2021 £000	2020 £000
<b>Opening fair value of scheme assets</b>	1,334	1,034
Expected return on assets	24	21
Actuarial gains	251	176
Employer contributions	93	83
Employee contributions	29	28
Benefits paid	(25)	(8)
<b>Closing fair value of scheme assets</b>	<u>1,706</u>	<u>1,334</u>

**24. Operating lease commitments**

At 31 August 2021 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
<b>Amounts payable:</b>		
Within 1 year	2	2
Between 1 and 5 years	-	2
	<u>2</u>	<u>4</u>

**25. Net interest cost on pension scheme**

	2021 £000	2020 £000
Interest income on pension scheme assets	24	21
Interest on pension scheme liabilities	(46)	(39)
	<u>(22)</u>	<u>(18)</u>

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**26. Related party transactions**

Owing to the nature of the academy trust and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 12.