

The Moorlands Primary Federation

Trustees' Report and Financial Statements

For the Year Ended 31 August 2019



The Moorlands Primary Federation
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 14
Governance Statement	15 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 22
Independent Reporting Accountant's Report on Regularity	23 - 24
Statement of Financial Activities Incorporating Income and Expenditure Account	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28 - 54

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Reference and Administrative Details

Members

Church of England Central Education Trust
Rev L Lucking
Mr P Chell
Ms K Hulse
Mr JS Ratcliffe
Rev N Grey (appointed 1 September 2018)

Trustees

Mr P Chell, Chair of Trustees¹
Mr J Eccles, Executive Head Teacher, Accounting Officer¹
Mrs M Bateman
Mr N Chesters¹
Mr B Fabi
Ms K Hulse¹
Dr S Langridge
Mr J S Ratcliffe¹
Mr L Yates
Mr F Martin (appointed 1 January 2019)
Rev S Symons (appointed 1 January 2019)
Mrs T Perrins (resigned 3 September 2018)
Mr S Hill (resigned 19 September 2018)

¹ Members of the HR and Finance Committee

**Company registered
number**

09378112

Company name

The Moorlands Primary Federation

**Principal and registered
office**

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

**Senior management
team**

J Eccles, Executive Head Teacher
A Brayford, Head Teacher at St. Werburgh's C. E. (A) Primary School
S Carr, Federation Business Manager
M Eyden, Deputy Business Manager
C Broome, School Leader Dilhorne Endowed C. E. (A) Primary School (from Sep 2018)
N Ainsworth, School Leader at The Valley Primary School
K Clowes, School Leader Bishop Rawle CofE (A) Primary School (to Aug 2019)
B Adamson, School Leader Great Wood Community Primary School

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Reference and Administrative Details (continued)
For the Year Ended 31 August 2019

Independent auditors Dains LLP
Statutory Auditors
Chartered Accountants
Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Bankers Lloyds Bank
PO Box 1000
Andover
BX1 1LT

Solicitors Geldards
Pride Place
Derby
DE24 8QR

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2019

The trustees who are also the directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2019.

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

St. Werburgh's C. E. (A) Primary School – Number on role (NOR): 152 PAN: 22
Bishop Rawle C. E. (A) Primary School – NOR: 155 PAN: 30
Dilhorne Endowed C. E. (A) Primary School – NOR: 47 PAN: 7
The Valley Primary School – NOR: 46 (54 including nursery) PAN: 7
Great Wood Primary School - NOR: 111 PAN: 15

Structure, governance and management

a. Constitution

The Moorlands Primary Federation was incorporated on 7 January 2015 as a company limited by guarantee (company number 9378112) and an exempt charity.

On 1 September 2015, St. Werburgh's C. E. (A) Primary School, Dilhorne Endowed C. E. (A) Primary School and The Valley Primary School converted from Local Authority schools to The Moorlands Primary Federation. The Multi-Academy Trust (MAT) was formed with the agreement of the full Governing Body and adoption of the Memorandum and Articles of Association. On 1 September 2017 two additional schools joined the MAT, Great Wood Primary School (as a converter academy) and Bishop Rawle C. E. (A) Primary School (as a sponsored academy) at the request of the Diocese of Lichfield, Staffordshire Local Authority and the Department for Education.

The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The Directors of The Moorlands Primary Federation are also the directors of the Charitable Company for the purposes of company law.

The charitable company is known as The Moorlands Primary Federation.

Details of the Directors and Members who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

Structure, governance and management (continued)

d. Recruitment and appointment of new Directors

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

e. Policies and Procedures Adopted for the Induction and Training of Directors

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

f. Organisational structure

The Moorlands Primary Federation has established a unified governance structure to enable its efficient running. The structure consists of five members and eight Directors. The Trust Board is then divided into the following committees:

- Human Resources and Finance;
- Pupil Welfare and Achievement;
- Premises, Health and Safety;
- Admissions, Appeals and Discipline.

The aim of the governance structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Federation Leadership Team (FLT) consists of the School Leaders at each Academy. This team is responsible for the day-to-day operation of the Academies, in particular organising the teaching staff, facilities and pupils. The FLT also has the Trust Business Manager.

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

g. Arrangements for setting pay and remuneration of key management personnel

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

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

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£
--	----------

Total cost of facility time	-	
Total pay bill	2,094,668	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

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

i. Related parties and other connected charities and organisations

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

Objectives and activities

a. Our Values

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

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

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

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

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

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

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

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

Italic text refers to our Anglican schools only.

The aims of our Academy Trust are as follows:

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

Objectives and activities (continued)

b. The objectives of our Trust are as follows:

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

c. Public benefit

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

Trustees' Report (continued)
For the Year Ended 31 August 2019

Strategic report

Achievements and performance

a. Key performance indicators

Reception class Data 2019 (*)A 'Good Level of Development' is achieved when children attain 'expected' or 'exceeding' grades in all Prime Areas and all Literacy and Mathematics areas. The number in brackets on the top row are class sizes.

	St Werburghs (22)	Dilhorne (7)	The Valley (8)	Great Wood (14)	Bishop Rawle (21)	National 2019
% of good level of development achieved (*)	82%	86%	75%	71%	76%	71.8%
EYFS Profile Average 2019	36.9	33.9	36.4	34.8	37.9	34.6
% of 'expected' or 'exceeding in reading	78%	86%	88%	79%	76%	76.9%
% of 'expected' or 'exceeding in writing	74%	86%	88%	79%	76%	73.7%
% of 'expected' or 'exceeding in number	83%	86%	88%	86%	95%	79.8%
% of children attaining expected or exceeding in all 17 areas of learning	82%	86%	75%	71%	76%	70.7%

Year 1 Phonics Screening Test Results 2019

	St Werburghs (26)	Dilhorne (10)	The Valley (10)	Great Wood (20)	Bishop Rawle (20)
Year 1 2019 results	96%	100%	70%	80%	80%

Year 1 Trust performance: 84% pass rate 2018
85% Pass rate 201

Year 2 Assessment Data 2019

Reading						
	St. Werburg h's (17)	The Valley (5 (*)	Dilhorne (6)	Great Wood (14)	Bishop Rawle (16)	National 2018
Teacher Assessment (working at expected or above)	88%	80%	83%	79%	88%	75%
Greater Depth	41%	0%	50%	50%	31%	25%
Test Results						
National Expected Level	88%	80%	83%	79%	88%	
Higher score	64%	60%	50%	36%	44%	

Strategic report (continued)

Achievements and performance (continued)

Writing						
	St. Werburgh's (17)	The Valley (5*)	Dilhorne (6)	Great Wood (14)	Bishop Rawle (16)	National 2018
Teacher Assessment (working at expected or above)	76%	60%	83%	64%	81%	69%
Greater Depth	6%	0%	33%	7%	13%	15%

SPaG						
	St. Werburgh's (17)	The Valley (5*)	Dilhorne (6)	Great Wood (14)	Bishop Rawle (16)	National 2018
Test Results (100 or above)	76%	80%	83%	64%	88%	

Maths						
	St. Werburgh's (17)	The Valley (5*)	Dilhorne (6)	Great Wood (14)	Bishop Rawle (16)	National 2018
Teacher Assessment (working at expected or above)	76%	80%	83%	86%	88%	76%
Higher level	29%	0%	33%	21%	44%	22%
Test Results						
National Expected Level	82%	80%	83%	86%	88%	
Higher score	35%	20%	17%	21%	21%	

Trustees' Report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

Year 6 Assessment Data 2019

Reading						
	St. Werburgh's (28)	The Valley (6)	Dilhorne (6)	Great Wood (15)	Bishop Rawle (29)	National
Test Results (100 or above)	86%	83%	50%	87%	55%	73%
Greater Depth (110 or above)	29%	33%	0%	33%	17%	
Teacher Assessment (working at expected or above)	96%	83%	50%	100%	62%	
Average Scaled Score	106	105.8	98.3	106.6	101	104

Writing						
	St. Werburgh's (28)	The Valley (6)	Dilhorne (6)	Great Wood (15)	Bishop Rawle (29)	National
Teacher Assessment (working at expected or above)	86%	83%	33%	100%	62%	78%
Greater Depth	21%	0%	0%	33%	3%	

Spelling Punctuation and Grammar						
	St. Werburgh's (28)	The Valley (6)	Dilhorne (6)	Great Wood (15)	Bishop Rawle (29)	National
Test Results (100 or above)	96%	83%	33%	100%	72%	78%
Higher score	43%	0%	0%	40%	21%	
Average Scaled Score	109.3	103.8	98.3	108	104.4	106

Strategic report (continued)

Achievements and performance (continued)

Maths						
	St. Werburgh's (28)	The Valley (6)	Dilhorne (6)	Great Wood (15)	Bishop Rawle (29)	National
Test Results (100 or above)	82%	67%	33%	100%	72%	76%
Greater Depth (110 or above)	11%	0%	0%	40%	7%	
Teacher Assessment (working at expected or above)	89%	83%	17%	100%	66%	
Average Scaled Score	103	99.3	98.3	110.3	102.7	104

Reading, Writing and Maths combined						
	St. Werburgh's (28)	The Valley (6)	Dilhorne (6)	Great Wood (15)	Bishop Rawle (29)	National
	64%	67%	17%	87%	59%	64%

Trust Key Stage 2 Data

Trust Data 2019					
	Reading	Writing	SPAG	Maths	Combined
Test Results (100 or above)	72%	72.8%	76.8%	70.8%	59.6%
Greater Depth (110 or above)	22%	11%	20.8%	11.6%	
Teacher Assessment (working at expected or above)	78.2			71%	
Average Scaled Score	103.5		104.8	102.7	

b. Going concern

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

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Financial review

a. Summary

The Academy Trust has a strong financial governance oversight. The Academy Trust has termly system checks on the financial systems and procedures in place and their findings are reported back to the Trustees and Directors of the Academy Trust.

The Human Resources and Finance committee receives comprehensive termly reports.

A strict scheme of delegation is adhered to.

The academy trust's key source of funding is the General Annual Grant (GAG) from the Education and skills funding agency (ESFA). Funding from the ESFA is shown as restricted funds in the statement of Financial Activities. During the year to 31 August 2019, the Academy Trust received GAG of £2,219,530 in addition to other income sources. The analysis of specific grants and income received can be seen within notes 3 to 6 to the financial statements.

During the year to 31 August 2019, total resources expended are £2,829,351 excluding depreciation. Depreciation of £136,411 has been charged during the year against restricted fixed asset fund.

The excess of income over expenditure for the period (excluding the movement in the pension reserve and restricted fixed asset funds) was £39,641.

At the 31 August 2019, the net book value of tangible fixed assets totalled £3,237,645 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and associated support services to the students of the Academy Trust.

b. Reserves policy

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

Current reserves at the 31 August 2019 amount to £482,485 (excluding the pension reserve and restricted fixed asset fund).

c. Investment policy

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

Strategic report (continued)

Financial review (continued)

d. Principal risks and uncertainties

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

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

Main areas of focus are:

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

The main risks facing the company are:

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

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

Fundraising

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

Plans for future periods

There are no significant future developments pending for the academic year 2019/20.

Funds held as custodian on behalf of others

No funds are held on behalf of others.

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2019

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all 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 Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 27 November 2019 and signed on its behalf by:



Mr P Chell
Chair of Trustees

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Governance Statement

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Director's Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Chell, Chair of Trustees	6	6
Mr J Eccles, Executive Head Teacher, Accounting Officer	6	6
Mrs M Bateman	5	6
Mr N Chesters	6	6
Mr B Fabi	4	6
Ms K Hulse	6	6
Dr S Langridge	4	4
Mr J S Ratcliffe	4	6
Mr L Yates	6	6
Mr F Martin	4	5
Rev S Symons	3	4
Mrs T Perrins	0	0
Mr S Hill	0	0

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

- Establishing and monitoring procedures and policies for sound budgetary control;
- Reviewing and developing staffing policies and procedures;
- Reporting regularly on the schools' finances to the whole Governing Body;
- Formulating and reviewing the schools' staffing structure and reviewing pay scales on an annual basis.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Chell	4	4
Ms K Hulse	3	4
Mr J S Ratcliffe	4	4
Mr N Chesters	2	4
Mr J Eccles	4	4

Governance Statement (continued)

Review of value for money

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

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

1. All Service Level Agreements are reviewed on an annual basis for best value – cost and service. We use a combination of LA and private companies to provide these services.
2. When making IT purchases, this year, interactive touchscreens, we always seek three like-for-like quotations and try and negotiate discounts for multiple purchases.
3. When purchasing large items such as the mobile/temporary classroom we sought three quotations, visited the businesses to inspect the quality of merchandise and involved HR and Finance Trustees in the decision-making process.

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 Moorlands Primary Federation for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Dains LLP, the external auditors, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis Dains LLP reports to the board of trustees, through the Human Resources and Finance Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of effectiveness

As accounting officer, the Executive Principal 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 auditors;
- the work of the Office Managers/School Secretaries 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 HR and Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 27 November 2019 and signed on their behalf by:

Mr P Chell
Chair of Trustees



Mr J Eccles
Accounting Officer

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of The Moorlands Primary Federation I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of Trustees 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 2019.

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



Mr J Eccles
Accounting Officer
Date: 27 November 2019

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

**Statement of Trustees' responsibilities
For the Year Ended 31 August 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

Mr P Chell
Chair of Trustees
Date: 27 November 2019



Independent Auditors' Report on the financial statements to the Members of The Moorlands Primary Federation

Opinion

We have audited the financial statements of The Moorlands Primary Federation (the 'academy trust') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Independent Auditors' Report on the financial statements to the Members of The Moorlands Primary Federation (continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report 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 Trustees' Report including the Strategic Report.

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

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

Independent Auditors' Report on the financial statements to the Members of The Moorlands Primary Federation (continued)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Simon Hawkins (Senior Statutory Auditor)
for and on behalf of

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

27 November 2019

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Moorlands Primary Federation and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Moorlands Primary Federation during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Moorlands Primary Federation and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Moorlands Primary Federation and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Moorlands Primary Federation and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Moorlands Primary Federation's funding agreement with the Secretary of State for Education dated 24 August 2015 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

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

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Moorlands Primary Federation and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

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

Date: 27 November 2019

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2019

	Note	Unrestrict ed funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		-	-	-	-	1,443,770
Other donations and capital grants		1,810	-	70,919	72,729	47,432
Charitable activities:	4					
Educational operations		-	2,704,728	-	2,704,728	2,597,266
Other trading activities	5	69,622	-	-	69,622	59,230
Investments	6	3,921	-	-	3,921	230
Total income		75,353	2,704,728	70,919	2,851,000	4,147,928
Expenditure on:						
Raising funds	8	7,117	-	-	7,117	7,608
Charitable activities:	7					
Educational operations		-	2,822,234	136,411	2,958,645	2,895,226
Total expenditure	8	7,117	2,822,234	136,411	2,965,762	2,902,834
Net income/(expenditure)		68,236	(117,506)	(65,492)	(114,762)	1,245,094
Transfers between funds	17	-	(26,089)	26,089	-	-
Net movement in funds before other recognised gains/(losses)		68,236	(143,595)	(39,403)	(114,762)	1,245,094
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(416,000)	-	(416,000)	272,000
Net movement in funds		68,236	(559,595)	(39,403)	(530,762)	1,517,094
Reconciliation of funds:						
Total funds brought forward		314,764	(941,920)	3,378,472	2,751,316	1,234,222
Net movement in funds		68,236	(559,595)	(39,403)	(530,762)	1,517,094
Total funds carried forward		383,000	(1,501,515)	3,339,069	2,220,554	2,751,316

The notes on pages 28 to 54 form part of these financial statements.

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Balance Sheet
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	3,237,645	3,327,343
		<u>3,237,645</u>	<u>3,327,343</u>
Current assets			
Debtors	15	148,838	97,670
Cash at bank and in hand		718,773	684,779
		<u>867,611</u>	<u>782,449</u>
Creditors: amounts falling due within one year	16	(283,702)	(288,476)
Net current assets		<u>583,909</u>	<u>493,973</u>
Total assets less current liabilities		<u>3,821,554</u>	<u>3,821,316</u>
Net assets excluding pension liability		<u>3,821,554</u>	<u>3,821,316</u>
Defined benefit pension scheme liability	23	(1,601,000)	(1,070,000)
Total net assets		<u><u>2,220,554</u></u>	<u><u>2,751,316</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	17	3,339,069	3,378,472
Restricted income funds	17	99,485	128,080
		<u>3,438,554</u>	<u>3,506,552</u>
Restricted funds excluding pension asset	17		
Pension reserve	17	(1,601,000)	(1,070,000)
Total restricted funds	17	<u>1,837,554</u>	<u>2,436,552</u>
Unrestricted income funds	17	<u>383,000</u>	<u>314,764</u>
Total funds		<u><u>2,220,554</u></u>	<u><u>2,751,316</u></u>

The financial statements on pages 25 to 54 were approved by the Trustees, and authorised for issue on 27 November 2019 and are signed on their behalf, by:

Mr P Chell
Chair of Trustees



The notes on pages 28 to 54 form part of these financial statements.

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	5,867	(58,989)
Cash flows from investing activities	20	28,127	(23,451)
Change in cash and cash equivalents in the year		33,994	(82,440)
Cash and cash equivalents at the beginning of the year		684,779	767,219
Cash and cash equivalents at the end of the year	21	718,773	684,779

The notes on pages 28 to 54 form part of these financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Moorlands Primary Federation meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount 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.

- **Sponsorship income**

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

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy trust has provided the goods or services.

1.4 Expenditure

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

- **Expenditure on raising funds**

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

• **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 resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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

1.6 Operating leases

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

1.7 Debtors

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

1. Accounting policies (continued)

1.8 Cash at bank and in hand

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

1.9 Liabilities and provisions

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

1.10 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement 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. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. 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.

1.11 Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1. Accounting policies (continued)

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local 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.

1.13 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Leasehold land and buildings

Under 125 year lease:

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

2 year licence

The academy trust company occupies:

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

In respect of:

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

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donated on conversion	-	-	-	1,443,770
	-	-	-	1,443,770
Donations	1,810	-	1,810	2,029
Capital Grants	-	70,919	70,919	45,403
Subtotal	1,810	70,919	72,729	47,432
	1,810	70,919	72,729	1,491,202
Total 2018	112,994	1,378,208	1,491,202	

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

4. Funding for the Academy Trust's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	2,219,530	2,219,530	2,133,433
Other DfE/ESFA grants	321,082	321,082	307,251
	<u>2,540,612</u>	<u>2,540,612</u>	<u>2,440,684</u>
Other government grants			
Local authority grants	16,018	16,018	23,154
Special educational projects	63,626	63,626	62,116
	<u>79,644</u>	<u>79,644</u>	<u>85,270</u>
Other funding			
Other income	6,079	6,079	6,254
Catering income	38,371	38,371	39,020
Educational trip income	40,022	40,022	26,038
	<u>84,472</u>	<u>84,472</u>	<u>71,312</u>
Total 2019	<u><u>2,704,728</u></u>	<u><u>2,704,728</u></u>	<u><u>2,597,266</u></u>

The total for 2018 of £2,597,266 is represented entirely by restricted funds.

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Teachers insurance income	300	300	6,600
Music services	5,569	5,569	7,672
Lettings income	17,093	17,093	17,671
Training and consultancy income	7,117	7,117	7,608
Other income	39,543	39,543	19,679
	<u>69,622</u>	<u>69,622</u>	<u>59,230</u>

The total for 2018 of £59,230 is represented entirely by unrestricted funds.

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	3,921	3,921	230

The total for 2018 of £230 is represented entirely by restricted funds.

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	1,943,799	1,014,846	2,958,645	2,895,226
Total 2018	1,898,852	996,374	2,895,226	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	1,749,024	1,726,911
Depreciation	9,694	14,385
Technology costs	25,324	24,373
Educational supplies	18,499	20,832
Educational consultancy	25,474	29,103
Educational trip costs	25,076	20,487
Other direct costs	90,708	62,761
	1,943,799	1,898,852

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
LGPS net finance cost	31,000	32,000
Staff costs	338,527	315,483
Depreciation	126,717	117,885
Technology costs	39,559	50,417
Staff development	5,247	6,713
Educational consultancy	25,693	21,741
Recruitment and support	-	645
Maintenance of premises and equipment	35,618	33,698
Cleaning	98,310	94,796
Rent and rates	8,019	7,156
Energy costs	60,173	53,844
Insurance	31,859	33,221
Catering	171,968	169,022
Bank interest and charges	96	96
Governance costs	17,965	28,893
Transport	1,777	2,130
Other support costs	22,318	28,634
	<u>1,014,846</u>	<u>996,374</u>

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising funds:					
Direct costs	7,117	-	-	7,117	7,608
Academy's educational operations:					
Direct costs	1,749,024	-	194,775	1,943,799	1,898,852
Support costs	338,527	305,178	371,141	1,014,846	996,374
	<u>2,094,668</u>	<u>305,178</u>	<u>565,916</u>	<u>2,965,762</u>	<u>2,902,834</u>
Total 2018	<u>2,050,002</u>	<u>254,435</u>	<u>598,397</u>	<u>2,902,834</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	408	4,415
Depreciation of tangible fixed assets :		
- owned by the charity	136,411	132,271
Fees paid to auditors for:		
- audit	11,750	11,500
- other services	2,175	2,100
	<u>138,234</u>	<u>145,886</u>

Notes to the Financial Statements
For the Year Ended 31 August 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,554,160	1,527,382
Social security costs	138,888	129,119
Pension costs	367,572	355,462
	<u>2,060,620</u>	<u>2,011,963</u>
Agency staff costs	34,048	38,039
	<u>2,094,668</u>	<u>2,050,002</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teaching staff	23	22
Administration and support	43	46
Management	8	8
	<u>74</u>	<u>76</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	-
In the band £80,001 - £90,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the trust and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance costs) received by key management personnel for their services to the academy trust was £541,500 (2018 - £496,551).

11. Central services

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

- Financial services
- Professional services
- Human resources

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

20% of General Annual Grant (GAG)

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
St Werburgh's C.E. (A) Primary School	112,708	84,965
Dilhorne Endowed C.E. (A) Primary School	61,022	42,467
The Valley Primary School	50,997	30,993
Bishop Rawle CofE (A) Primary School	119,790	91,092
Great Wood Community Primary School	92,895	64,636
Total	437,412	314,153

12. Trustees' remuneration and expenses

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

		2019	2018
		£	£
Mr J Eccles, Executive Head Teacher, Accounting officer	Remuneration	80,000 -	80,000 -
		85,000	85,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year ended 31 August 2019, no Trustees received any benefits in kind (2018 - £NIL).

During the year ended 31 August 2019, expenses totalling £963 were reimbursed or paid directly to 1 Trustee (2018 - £984 to 1 Trustee). The nature of these expenses is that of a travel allowance.

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Long-term leasehold property £	Building improve- ments £	Fixture and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2018	2,633,457	779,218	30,608	23,981	64,424	3,531,688
Additions	-	31,586	3,921	-	11,206	46,713
At 31 August 2019	2,633,457	810,804	34,529	23,981	75,630	3,578,401
Depreciation						
At 1 September 2018	65,248	80,307	7,970	11,491	39,329	204,345
Charge for the year	42,896	68,198	3,416	5,995	15,906	136,411
At 31 August 2019	108,144	148,505	11,386	17,486	55,235	340,756
Net book value						
At 31 August 2019	2,525,313	662,299	23,143	6,495	20,395	3,237,645
At 31 August 2018	2,568,209	698,911	22,638	12,490	25,095	3,327,343

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	4,633	3,262
Other debtors	244	244
VAT repayable	41,626	34,894
Prepayments and accrued income	102,335	59,270
	148,838	97,670

Notes to the Financial Statements
For the Year Ended 31 August 2019

16. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	129,524	134,453
Other taxation and social security	31,232	36,925
Other creditors	35,042	34,341
Accruals and deferred income	87,904	82,757
	283,702	288,476
	2019	2018
	£	£
Deferred Income		
Deferred income at 1 September 2018	63,847	44,130
Resources deferred during the year	70,066	63,847
Amounts released from previous periods	(63,847)	(44,130)
	70,066	63,847

At the balance sheet date the academy trust was holding funds received in advance for grants that relate to the 2019/20 academic year.

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	314,764	75,353	(7,117)	-	-	383,000
Restricted general funds						
General Annual Grant	71,801	2,219,530	(2,204,394)	(26,089)	-	60,848
Other DfE/ESFA	38,148	321,082	(342,516)	-	-	16,714
Other Government grants	-	79,644	(79,644)	-	-	-
Other income	18,131	84,472	(80,680)	-	-	21,923
Pension reserve	(1,070,000)	-	(115,000)	-	(416,000)	(1,601,000)
	<u>(941,920)</u>	<u>2,704,728</u>	<u>(2,822,234)</u>	<u>(26,089)</u>	<u>(416,000)</u>	<u>(1,501,515)</u>
Restricted fixed asset funds						
Donations from local authority	2,587,924	-	(47,094)	-	-	2,540,830
Other DfE capital grants	664,888	-	(61,659)	-	-	603,229
Devolved Formula Capital	72,630	70,919	(10,672)	-	-	132,877
Capital expenditure from ESFA start up grant	47,525	-	(13,983)	-	-	33,542
Capital expenditure from GAG	5,505	-	(3,003)	26,089	-	28,591
	<u>3,378,472</u>	<u>70,919</u>	<u>(136,411)</u>	<u>26,089</u>	<u>-</u>	<u>3,339,069</u>

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total Restricted funds	2,436,552	2,775,647	(2,958,645)	-	(416,000)	1,837,554
Total funds	2,751,316	2,851,000	(2,965,762)	-	(416,000)	2,220,554

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

Unrestricted General Funds

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

Restricted General Funds

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

Pension reserve

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

Restricted Fixed Asset Funds

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
St. Werburgh's C.E (A) Primary School	63,695	67,168
Dilhorne Endowed C.E. (A) Primary School	104,709	103,107
The Valley Primary School	98,011	104,067
Bishop Rawle CofE (A) Primary School	68,793	49,575
Great Wood Community Primary School	131,233	109,761
Federation funds	16,044	9,166
Total before fixed asset funds and pension reserve	482,485	442,844
Restricted fixed asset fund	3,339,069	3,378,472
Pension reserve	(1,601,000)	(1,070,000)
Total	2,220,554	2,751,316

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
St. Werburgh's C.E (A) Primary School	410,593	29,701	6,360	142,225	588,879	611,893
Dilhorne Endowed C.E. (A) Primary School	175,444	39,621	1,749	72,024	288,838	293,870
The Valley Primary School	194,673	24,874	3,574	77,722	300,843	247,754
Bishop Rawle CofE (A) Primary School	439,656	32,709	3,082	146,440	621,887	661,811
Great Wood Community Primary School	265,452	57,849	3,301	137,644	464,246	414,374
Federation costs	186,323	153,773	433	109,130	449,659	420,862
Academy trust	1,672,141	338,527	18,499	685,185	2,714,352	2,650,564

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

17. Statement of funds (continued)

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

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,237,645	3,237,645
Current assets	383,000	383,187	101,424	867,611
Creditors due within one year	-	(283,702)	-	(283,702)
Provisions for liabilities and charges	-	(1,601,000)	-	(1,601,000)
Total	383,000	(1,501,515)	3,339,069	2,220,554

Analysis of net assets between funds - prior year

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

Notes to the Financial Statements
For the Year Ended 31 August 2019

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

	2019	2018
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(114,762)	1,245,094
Adjustments for:		
Depreciation	136,411	132,271
Capital grants from DfE and other capital income	(70,919)	(45,403)
Interest receivable	(3,921)	(230)
Defined benefit pension scheme obligation inherited	-	553,000
Defined benefit pension scheme cost less contributions payable	84,000	88,000
Defined benefit pension scheme finance cost	31,000	32,000
Increase in debtors	(51,168)	(13,006)
Decrease in creditors	(4,774)	(53,945)
Net gain on assets and liabilities from local authority on conversion	-	(1,885,805)
Cash transferred on conversion to academy trust	-	(110,965)
Net cash provided by/(used in) operating activities	5,867	(58,989)

20. Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	3,921	230
Purchase of tangible fixed assets	(46,713)	(390,950)
Capital grants from DfE Group	70,919	256,304
Cash transferred on conversion to academy trust	-	110,965
Net cash provided by/(used in) investing activities	28,127	(23,451)

21. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	718,773	684,779
Total cash and cash equivalents	718,773	684,779

22. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	19,530

23. Pension commitments

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

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

Contributions amounting to £34,440 were payable to the schemes at 31 August 2019 (2018 - £33,625) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the year amounted to £163,000 (2018 - £160,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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 2019 was £149,000 (2018 - £131,000), of which employer's contributions totalled £120,000 (2018 - £104,000) and employees' contributions totalled £ 29,000 (2018 - £27,000). The agreed contribution rates for future years are 24.2 per cent for employers and 5.5 - 12.5 per cent 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.

23. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.70	2.70
Rate of increase for pensions in payment/inflation	2.30	2.80
Discount rate for scheme liabilities	1.90	2.30
Commutation of pensions to lump sums - post 1 April 2008	75.00	75.00
Commutation of pensions to lump sums - pre 1 April 2008	50.00	50.00

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.1
<i>Retiring in 20 years</i>		
Males	22.2	24.1
Females	24.8	26.4

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate -0.5%	398,000	290,000
Salary increase rate +0.5%	67,000	58,000
Pension rate +0.5%	322,000	228,000

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

	At 31	At 31
	August 2019	August 2018
	£	£
Equities	924,000	802,000
Corporate bonds	298,000	218,000
Property	109,000	92,000
Cash and other liquid assets	27,000	34,000
Total market value of assets	1,358,000	1,146,000

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

23. Pension commitments (continued)

The actual return on scheme assets was £72,000 (2018 - £34,000).

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

	2019 £	2018 £
Current service cost	(186,000)	(192,000)
Past service cost	(18,000)	-
Interest income	34,000	25,000
Interest cost	(65,000)	(57,000)
Total amount recognised in the Statement of Financial Activities	(235,000)	(224,000)

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

	2019 £	2018 £
At 1 September	2,216,000	1,175,000
Defined benefit obligation transferred on conversion	-	1,006,000
Current service cost	186,000	192,000
Interest cost	65,000	57,000
Employee contributions	29,000	27,000
Actuarial losses/(gains)	458,000	(230,000)
Benefits paid	(13,000)	(11,000)
Past service costs	18,000	-
At 31 August	2,959,000	2,216,000

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

	2019 £	2018 £
At 1 September	1,146,000	506,000
Fair value of scheme assets transferred on conversion	-	453,000
Interest income	34,000	25,000
Actuarial gains	42,000	42,000
Employer contributions	120,000	104,000
Employee contributions	29,000	27,000
Benefits paid	(13,000)	(11,000)
At 31 August	1,358,000	1,146,000

The Moorlands Primary Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

24. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	12,255	408
Later than 1 year and not later than 5 years	22,852	-
	<u>35,107</u>	<u>408</u>

25. Members' liability

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

26. Related party transactions

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

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

The Academy Trust purchased services from Lichfield Diocesan Board of Education totalling £1,493 (2018 - £3,013) during the year. There were no amounts outstanding at 31 August 2019 (2018 - £nil).

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

The Academy Trust sold services totalling £3,920 (2018 - £4,560). There were amounts outstanding at the 31 August 2019 of £320 (2018 - no amounts outstanding).

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

In entering into the transactions the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.