

Company Registration No. 09104491 (England and Wales)

THE MOSSLEY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017

THE MOSSLEY ACADEMY TRUST

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THE MOSSLEY ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving an area on the edge of the Cheshire market town of Congleton. It has a pupil capacity of 420 and had a roll of 407 in the school census on 2 October 2016.

Structure, governance and management

Constitution

The academy trust is a charitable company limited by guarantee (company number 09104491) and an exempt charity. The company was incorporated on 26 June 2014 and on 1 August 2014 converted to an academy. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Mossley Academy Trust are also directors of the charitable company for the purposes of company law. The charitable company is known as The Mossley Academy Trust.

The trustees of The Mossley Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring while on academy trust business. The insurance provides cover up to £2,000,000 on any one claim.

Method of recruitment and appointment or election of trustees

There are 15 trustees (board of trustees) and there are 4 members. The board of trustees is responsible for appointing 3 members, the board of trustees have agreed that the chair of trustees, 2 chairs of committee (as voted by the board of trustees) and the Diocese representative is appointed by the Diocese.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All trustees are provided with relevant copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that will support them in carrying out their role as trustees. As the appointment of trustees is not a regular i.e. annual appointment, induction will need to be by necessity informal and tailored to the individual appointed.

THE MOSSLEY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

The structure of the academy consists of three levels: the members, the trustees (governors) and the senior leadership team (SLT).

The trustees are responsible for monitoring the general policy, reviewing the annual plan and budget. The members have delegated decision making to the board of trustees (governing body) and relevant committees and the SLT.

The trustees (governors) are responsible for the strategic leadership of the academy along with the SLT, approving the annual plan and budget. Monitoring the use of the budget and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The SLT are the headteacher, the deputy headteacher, the assistant headteacher and the SENCO. The headteacher, who is the accounting officer, controls the academy at an executive level implementing policies agreed by the trustees and reporting back to them and is responsible for the authorisation of spending within the budget as laid down in the academy's Financial Manual. The SLT are responsible for the education and curriculum as taught across the school.

The members meet once a year in the autumn term of the academic year.

The board of trustees meet twice in every term of an academic year.

The SLT meet on a weekly basis.

Arrangements for setting pay and remuneration of key management personnel

The school use the School Teachers' Pay and Conditions Document (STPCD) to form the basis of Mossley's Pay Policy. Mossley purchases HR support from Cheshire East who produce a model pay policy incorporating the STPCD; Mossley adopts this policy making changes to fit the academies' senior management structure. This is reviewed annually and ratified by the Resource and Finance Committees; then it is placed before the full Governing Board. Normal practice is to undertake this in the Autumn Term.

Related parties and other connected charities and organisations

The academy trust has a partnership agreement with the CECF (Congleton Education Community Partnership) which is a limited charitable company, renewable every three years. The head teachers of all Congleton schools are directors of this company and one trustee from each school sits on the board of trustees of this company. The partnership commissions services such as Family Support, Play Therapy and Health and Well-being. Groups such as Deputies, NQT and RQT, Early years, Core curriculum, Sports and SEND all add to the provision in all the schools.

Objectives and activities

Objects and aims

Mission statement:

- To provide a firm Christian foundation.
- To maintain a happy, secure, harmonious community built on mutual respect and shared goals.
- To provide high quality and innovative teaching and learning, striving for excellence for all.
- To create an atmosphere of value and worth, developing confident people.
- To encourage a climate of self-motivation, discipline, responsibility and personal excellence.
- To develop an awareness and understanding of others, their religions, cultural and social characteristics, so that the children may become caring and tolerant members of society.

THE MOSSLEY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Vision statement:

Mossley Primary School is an inclusive community where all are safe, happy, valued and nurtured in a stimulating, motivating environment that challenges everyone, strives for excellence and promotes a life long love of learning.

'Achieve Succeed Believe'

Objectives, strategies and activities:

The main objectives of the academy during the period ending 31 August 2017 are summarised below:

Outcomes for pupils (including EYFS)

Priority 1

- Through assessment, data collection, data analysis, standards meetings and intervention strategies children make at least good progress if not more, including groups identified in the school eg. SEND, Pupil Premium and the more able.
- Through performance management, learning walks, book scrutinies and lesson observations and pupil and parental voice standards are seen to rise using 'lessons learned' to record findings and measure the impact.
- Clear processes and procedures are in place to support, challenge and manage under performance.

Priority 2

- To ensure that all children have a wide and varied skills and knowledge base by the time they leave the school. To ensure that theme coverage and progression is appropriate and challenging. To ensure equal opportunity between classes.
- To moderate as a staff across all curriculum areas including core and foundation subjects to ensure continuity and progression of skills.
- A clear overview of the 'creative curriculum' to ensure high expectations, engaging age appropriate work and high quality learning outcomes for all children.

Priority 3

- To ensure that through quality first teaching, booster and interventions all children including those 'disadvantaged' make at least good progress and we actively look to 'close the gap'.
- To evaluate and monitor the use and impact of the ICT suite and ICT within the classrooms to ensure that we have resourced effectively. To plan for the future in this area.

Priority 4

To liaise effectively with parents, using the information gained from feedback, on increasing their knowledge on their children's progress, how to effectively help their child and to further the 'home school' link

The quality of teaching, learning and assessment (including EYFS)

Priority 1 - All teaching to be at least good - with 30% being outstanding. Use PPM more effectively track / intervention to be more accurate and monitored more effectively.

Priority 2 - All teachers to have exceptionally high expectations across all areas of the curriculum; learning walks, lesson plans and book scrutiny will demonstrate 70% good - 30% outstanding.

THE MOSSLEY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Priority 3 - Embed the use of the PPM, plan using the national curriculum, ensuring that marking and feedback and therefore targets are accurately set for all children. All staff to ensure schools' marking policy is used effectively and children are involved in the feedback process and next steps ensure learning is extended.

Priority 4 - All staff to follow agreed policies and ensure all children understand tasks and use questioning effectively and use and apply gained knowledge - this is to be shown at the end of each unit of work. This to be shown across all areas and subjects.

Priority 5 - All staff maintain a positive learning environment and encourage pupils through appropriate feedback, marking, rewards and where necessary targeted support. Liaise with SENCO to challenge and plan for individual children.

Priority 6 - Teachers take risks to motivate and inspire pupils. Teachers to use innovative practice and be an inspirational role model.

Personal development, behaviour and welfare

Priority 1 - To further the work set up on the 'Parent forum' and measure its effectiveness.

Priority 2 - To ensure the 'British values' permeate the school curriculum through the working of the School Council, 'Values' assembly plan, extra-curricular activities and class teaching.

Priority 3 - To introduce and embed the 'KiVa' system.

Priority 4 - To ensure that all children and parents are made aware of e-safety, cyber bullying and CEOP. To introduce 'the Sandbach plan' to ensure children's internet safety.

Priority 5 - To further the safeguarding training through PREVENT training and relevant first aid training for staff (workplace first aid and paediatric first aid).

Effectiveness of leadership and management

Priority 1

- To sustain the 'Monitoring and Evaluation Plan', to ensure rigour and increase in standards for all pupils in all subjects.
- To use the PPM. For the SLT to triangulate the data, books and lessons observations with clarity, direction and rigour.

Priority 2

To establish Numicon and other Maths resources in school to successfully deliver the national curriculum to achieve higher standards in Maths. This is to be monitored and reported to trustees.

Priority 3

To further increase the role of the subject leader to ensure coverage, progression, richness and relevance in all subjects.

Priority 4

Spelling was identified as being the weaker part of the SPAG test 2015, spelling package put in place throughout the school with specific year group targets and direction.

Priority 5

To embed the new assessment package regarding 'assessment without levels' and the subject lead to use that information to ensure progression, high expectations and increase in standards.

THE MOSSLEY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Priority 6

- To ensure the academy is well managed, financially sound and accountable to the trustees and wider community. To ensure the new pay policy and appraisal policy are put in place and are effective.
- To allocate funds for the ICT capability in school for the next 2 years to ensure that both the hardware and software are fit for purpose and the systems in school are capable of housing what we need.
- Refresh trustees in their role in subject/year teams and ensure effective feedback from subject leads to trustees through support and challenge.

Successes within the year

Year 6 had a most successful 'stepping into business' project learning all the skills to start up their own business. This was helped by the local business community. The profits had increased from £700 in 2106 to £800 in 2017. On a sporting front we had successes in football, hockey and cricket and cluster level for basketball and athletics. The choir performed at a variety of venues with amazing feedback. The children took part in community arts events displaying their work at the High School. The SATs results, phonic results, GLD results and all the school internal tracking showed good or better progress. The school successfully passed a safeguarding inspection in April 2017.

The school had an OFSTED inspection in May 2017 which resulted in the grading as 'Requires Improvement'. All staff and Governors were most disappointed with the result and the support from the Parents was overwhelming in it's positivity and support for the school. The Governors submitted a complaint to OFSTED as it was felt that much of the processes and procedures were not adhered to and that the school did not warrant this outcome. This judgement to some degree was vindicated in our 2017 results that were excellent. The school now are actively working towards moving on from this judgement and has further bolstered the robust plans already in place to address any identified weaknesses.

Public benefit

The academy trust promotes education for the benefit of the local community in Mossley and the vicinity of Congleton. We regularly work with local charities such as 'Storehouse - food bank and Ruby's Fund and National Charities such as 'Children in Need', Vysion and Comic Relief. We have a partnership with a school in Kenya, Ngata Primary School, which is funded through 'Connecting Classrooms through the British Council.

THE MOSSLEY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators:

End of year external assessments

EYFS

Good level of development (GLD) 2017 78% Cheshire East 72%

Phonics – the pass mark remained at 32 this year and so our % pass rate was 97%. Of the 6 children that re-took the screening test in year 2 only one child didn't reach the pass mark and that child is SEND.

2017 school	97%	national	81%
2016 school	91%	national	81%
2015 school	80%	national	77%
2014 school	82%	national	74%

Key Stage 1

End of Key Stage 1 Assessment Data 2017

Subject	% Expected	% greater depth	% working towards
Writing - School - National	80% 68%	8% 16%	20%
Reading- School - National	82% 76%	23% 25%	16%
Maths- School - National	79% 75%	23% 21%	20%

All subjects were moderated by the Local Authority in June 2017 and all decisions were validated and no changes were made..

Reserves policy

The academy seeks to have £40k, in general restricted and unrestricted reserves. This was amended by the Governors in July 2017.

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. These reserves are reviewed regularly during the year by the finance committee.

The academy trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £116,473. Authorisation to use reserves of any kind will be made by the trustees and/or the finance committee at the next available meeting the approval should be noted in the minutes.

The academy trust level of reserves as at 31 August 2017 is:

Restricted	£25,961
Unrestricted	£116,473

The decreased reserves in the period ending 31 August 2017 is in line with cautious financial management and 'Free' reserves is a provision against works required to premises and does not cover the total expenditure required to complete the identified works to premises. No further provision or contingency is in place for such works.

THE MOSSLEY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Academy reserves were earmarked in support of the following projects that have been completed in 16/17:

Premises

- Front entrance build to improve safeguarding within the school
- Office re-figuration.
- Creation of SEND teaching space
- ICT - to increase the provision within school for in-class curriculum use and greater computing capability

In 2016/17 Child led expenditure

- To fulfil the requirements of the school development plan.

Planned for 17/18

- To follow up all the recommendations from OFSTED.
- To fulfil the requirements of the school development plan.
 - To up date the lighting and ceilings in the oldest part of school

The surplus over this amount is to be set aside to develop the school in addition to the contingency of £10,000.

Pensions

There is a deficit of £621,000.

Investment policy and powers

The aim of this policy is to ensure that funds which The Mossley Academy Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk. The trust will therefore now look to invest surplus cash reserves (should they exist) with the trust's high street banker, Lloyds, where capital invested is guaranteed. Should this funding be invested the finance committee will receive a quarterly report on the performance of the investment. Interest incurred will be used for the benefit of children attending The Mossley Academy Trust.

Principal risks and uncertainties

The system of internal control (as noted in the academy's Financial Manual of Internal Procedure) is designed to manage risk to a reasonable level rather than eliminate it, actions to mitigate the risk have been planned for. Principal risks and uncertainties as noted by the trustees are:

- Change in government funding regime.
- Reduction in student numbers through competition, a damaged reputation, low standards or poor OFSTED grading.
- Business continuity in the event of major disaster.
- Loss of key senior staff.
- Long term staff sickness.

Controls put in place to mitigate these risks include:

- Attending conferences relating to change in government funding; reading relevant literature to ensure the trustees and finance committee are up to date with possible changes.
- Regular challenges to staff around standards and performance and the academy's public profile.
- Have a sound emergency contingency plan in place with financial electronic data held off site.
- Succession planning strategies.
- Sound reserves to cover unexpected long term absence

THE MOSSLEY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial and risk management objectives and policies

Funds held as custodian trustee on behalf of others

In so far as the trustees are aware:

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

Afford Bond Holdings Limited was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.



Mr A Mitchell
Chair Of Trustees

THE MOSSLEY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

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

Governance

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

Trustees	Meetings attended	Out of possible
Mrs M Anderson	2	3
Mrs S Aston	3	3
Mr N Barnes	2	3
Dr G Bould	2	3
Mrs J Thomas	3	3
Mrs D Dentith	2	3
Mrs H Harrison	3	3
Mr B Heads	1	3
Mr A Mitchell (Chair Of Trustees)	2	3
Mrs S Mills	3	3
Mrs R Simpson	2	3
Mr K Smith	1	3
Revd Cannon D Taylor	1	3
Mr E Whitehead	3	3
Mrs G Street	1	3

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is to:

THE MOSSLEY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The committee will meet at least once per term.

Functions and Powers

Subject to the requirements of relevant legislation, the committee is authorised:

1. To consider and recommend acceptance/non-acceptance of the academy's budget, based on the recommendation of the Audit Committee, at the start of each financial year.
2. To contribute to the formulation of the academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, with the stated and agreed aims and objectives of the academy.
3. To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.:
4. To consider and support effective Marketing and Communications ICT and Policies,

Inclusive of:

- To oversee the school profile, effectiveness of communication with key stakeholders and overall marketing of the school;
- To establish and keep under review an Accessibility plan;
- To monitor and evaluate ICT within the school and plan for its continual development;
- To monitor and evaluate Pupil and Parent perceptions of the school through questionnaires and report back to parents;
- To liaise with the School Council; and
- To annually review all mandatory, non-curricular policies including charges and remissions policies and expenses policies.

5 To liaise with and receive reports from the CPP committee, Headteacher and others parties, as appropriate and to make recommendations to those committees and/or persons about financial aspects of the matters being considered by them.

6 To support retention, development and terms & conditions of all staff, Inclusive of:

- To draft and keep under review the staffing structure in consultation with the Headteacher;
- To establish a Pay Policy for all categories of staff and to be responsible for its administration and review;
- To oversee the appointment procedure for all staff;
- To establish and review a Performance Management policy for all staff;
- To oversee the process leading to staff reductions;
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence;
- To consider any appeal against a decision on pay grading or pay awards;
- To form the Dismissal and Appeal panels.

7 To encourage and develop Partnerships in Community and Business both locally and internationally:

- To be involved in positive International, Community and Business links.

THE MOSSLEY ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs S Aston	4	6
Mr N Barnes	2	6
Mrs D Dentith	6	6
Mrs H Harrison	5	6
Mr B Heads	4	6
Mr A Mitchell (Chair Of Trustees)	4	6
Mr K Smith	3	6
Mr E Whitehead	5	6
Mrs G Street	6	6

The Curriculum and pupil progress committee is a sub-committee of the main board of trustees. Its purpose is to:

THE MOSSLEY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

CURRICULUM AND PUPIL PROGRESS COMMITTEE

Purpose

- To assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the pupils' learning experience within the academy including proper planning, monitoring and probity.
- To consider safeguarding and equalities implications when undertaking our committee functions
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.
- To contribute to the SSDP
- Major issues will be referred to the full governing body for ratification.

Membership

The membership of this committee shall be a minimum of three governors, among whom should be the committee Chair or Head teacher. Where possible, the governors should include a staff governor. This committee will choose its chair. The committee may co-opt non-voting members to assist it to discharge its responsibilities effectively; should it so require.

Quorum

The Quorum shall be three voting members, one of whom must be the Chair or Headteacher who may nominate a representative in his/her absence who will make his/her vote.

Meetings

The committee will meet at least once per term.

Functions and Powers

Subject to the requirements of relevant legislation, the committee is authorised:

1. To review monitor and evaluate the curriculum and keep up to date with the changes and adaptations.
2. To hold subject leaders to account
3. To contribute to the formulation of the academy's development plan, through the consideration of matters relating to the curriculum and pupil learning and progress, in consultation with the Headteacher, with the stated and agreed aims and objectives of the academy.
4. To develop and review policies identified within the school's policy review programme and in accordance with its delegated powers, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
5. To consider and support effective Marketing and Communications ICT and Policies, inclusive of:
 - To review the effectiveness of communication with key stakeholders in matters relating to the curriculum;
 - To monitor and evaluate pupil and parent perceptions of the school through questionnaires and report back to parents;
 - To liaise with the School Council;

THE MOSSLEY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mrs M Anderson	5	6
Mrs S Aston	6	6
Dr G Bould	4	6
Mrs J Thomas	5	6
Mrs H Harrison	5	6
Mr A Mitchell (Chair Of Trustees)	5	6
Mrs S Mills	6	6
Mrs R Simpson	6	6
Revd Cannon D Taylor	5	6

Review of value for money

As accounting officer the 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 academy's bursar, the headteacher and the deputy headteacher review expenditure and income on a weekly basis and this is minuted and is shared with the chair of trustees and the chair of the resources committee. The headteacher together with the finance team review the expenditures on a monthly basis and report to the trustees quarterly. Any issues that arise are dealt with by the bursar/headteacher as and when required.

Already, significant savings have been made in the areas of staff and buildings insurance, energy bills and purchasing general materials. In the development of our front entrance and office improvements we carried out a tendering process to gain the best value for money ensuring that the best service was obtained. The continued management of the kitchen and gaining better quality produce and value for money has seen an overall improvement in school dinner provision. We continue to get better deals for our washroom supplies and waste collection. We are now negotiating a better service for ICT in both improvement of the infrastructure and on-going break and fix. All of the above have been discussed with trustees and passed by the resources committee and ratified by the Full Governing Body.

The trust has used the services of the Congleton Education Community Partnership (CECP) through the manager to gain best value for shared services such as Family Support, Play Therapy and Well-being.

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 Mossley Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

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 period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

THE MOSSLEY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Elizabeth Whitehurst an internal auditor and the trustees have appointed Afford Bond, to perform additional checks.

The external auditor and internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the accountants report to the board of trustees, through the resources and audit 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 principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

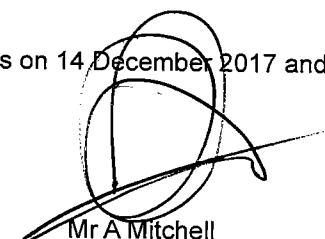
- the work of the internal auditor and the accountants
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;

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

Approved by order of the board of trustees on 14 December 2017 and signed on its behalf by:



Mrs S Aston



Mr A Mitchell
Chair Of Trustees

THE MOSSLEY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

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

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Mrs S Aston
Accounting Officer

14 December 2017

THE MOSSLEY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for The Mossley Academy Trust and are also the directors of The Mossley Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

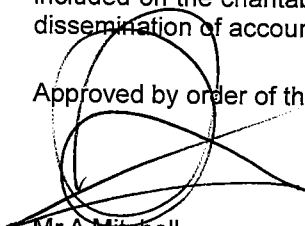
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 14 December 2017 and signed on its behalf by:



Mr A Mitchell
Chair Of Trustees

THE MOSSLEY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MOSSLEY ACADEMY TRUST

Opinion

We have audited the accounts of The Mossley Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

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 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC'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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

THE MOSSLEY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MOSSLEY ACADEMY TRUST (CONTINUED)

Matters on which we are required to report by exception

In the light of the 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 incorporated 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 accounts 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

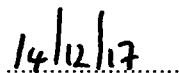
Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



for and on behalf of Afford Bond Holdings Limited



Chartered Accountants
Statutory Auditor

31 Wellington Road
Nantwich
Cheshire
CW5 7ED

THE MOSSLEY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MOSSLEY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 December 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Mossley Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Mossley Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Mossley Academy Trust's funding agreement with the Secretary of State for Education dated 26 June 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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 work undertaken to draw to our conclusion includes:

- Review of sample expenditure to ensure appropriate use of academy funds
- Review of controls and procedures in place to ensure sufficient and working effectively
- Review of journal entries to ensure appropriate
- Review of terms in relation to revenue and capital funds received to ensure used as intended and no breach of terms

THE MOSSLEY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MOSSLEY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Reporting Accountant
Afford Bond Holdings Limited

Dated: 14 December 2017

THE MOSSLEY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	45,729	2,600	8,556	56,885	58,154
Charitable activities:						
- Funding for educational operations	3	2,992	1,550,060	-	1,553,052	1,508,656
Other trading activities	4	64,896	-	-	64,896	65,379
Investments	5	188	-	-	188	607
Total income and endowments		113,805	1,552,660	8,556	1,675,021	1,632,796
Expenditure on:						
Raising funds	6	9,515	-	-	9,515	4,000
Charitable activities:						
- Educational operations	7	1,733	1,609,699	77,389	1,688,821	1,649,967
Total expenditure	6	11,248	1,609,699	77,389	1,698,336	1,653,967
Net income/(expenditure)		102,557	(57,039)	(68,833)	(23,315)	(21,171)
Transfers between funds		(168,601)	-	168,601	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	57,000	-	57,000	(216,000)
Net movement in funds		(66,044)	(39)	99,768	33,685	(237,171)
Reconciliation of funds						
Total funds brought forward		182,517	(591,000)	3,208,000	2,799,517	3,036,689
Total funds carried forward		116,473	(591,039)	3,307,768	2,833,202	2,799,518

THE MOSSLEY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2016
		£	£	£	£
Income and endowments from:					
Donations and capital grants	2	46,100	3,700	8,354	58,154
Charitable activities:					
- Funding for educational operations	3	2,000	1,506,656	-	1,508,656
Other trading activities	4	65,379	-	-	65,379
Investments	5	607	-	-	607
Total income and endowments		<u>114,086</u>	<u>1,510,356</u>	<u>8,354</u>	<u>1,632,796</u>
Expenditure on:					
Raising funds	6	4,000	-	-	4,000
Charitable activities:					
- Educational operations	7	12,600	1,567,275	70,092	1,649,967
Total expenditure	6	<u>16,600</u>	<u>1,567,275</u>	<u>70,092</u>	<u>1,653,967</u>
Net income/(expenditure)		97,486	(56,919)	(61,738)	(21,171)
Transfers between funds		(44,730)	8,354	36,376	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	17	-	(216,000)	-	(216,000)
Net movement in funds		52,756	(264,565)	(25,362)	(237,171)
Reconciliation of funds					
Total funds brought forward		131,400	(327,711)	3,233,000	3,036,689
Total funds carried forward		<u>184,156</u>	<u>(592,276)</u>	<u>3,207,638</u>	<u>2,799,518</u>

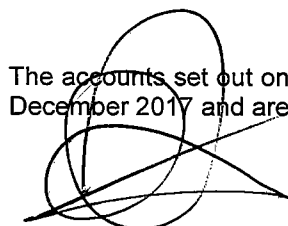
THE MOSSLEY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	11		3,307,939		3,209,642
Current assets					
Debtors	12	21,493		28,203	
Cash at bank and in hand		234,808		278,582	
		<u>256,301</u>		<u>306,785</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(114,038)		(95,909)	
Net current assets			<u>142,263</u>		<u>210,876</u>
Net assets excluding pension liability			<u>3,450,202</u>		<u>3,420,518</u>
Defined benefit pension liability	17		(617,000)		(621,000)
Net assets			<u>2,833,202</u>		<u>2,799,518</u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			3,307,768		3,207,638
- Restricted income funds			25,961		28,724
- Pension reserve			(617,000)		(621,000)
Total restricted funds			<u>2,716,729</u>		<u>2,615,362</u>
Unrestricted income funds	15		<u>116,473</u>		<u>184,156</u>
Total funds			<u>2,833,202</u>		<u>2,799,518</u>

The accounts set out on pages 22 to 41 were approved by the board of trustees and authorised for issue on 14 December 2017 and are signed on its behalf by:



Mr A Mitchell
Chair Of Trustees

Company Number 09104491

THE MOSSLEY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18		123,169		51,499
Cash flows from investing activities					
Dividends, interest and rents from investments		188		607	
Capital grants from DfE and EFA		8,556		8,354	
Payments to acquire tangible fixed assets		(175,686)		(45,730)	
			(166,942)		(36,769)
Change in cash and cash equivalents in the reporting period					
			(43,773)		14,730
Cash and cash equivalents at 1 September 2016					
			278,582		264,603
Cash and cash equivalents at 31 August 2017					
			234,809		279,333

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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

1.1 Basis of preparation

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

The Mossley Academy Trust 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, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

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 receivable

Grants are included in the statement of financial activities 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This 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.

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	7 years

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

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.9 Taxation

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

1.10 Pensions benefits

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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

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

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Insurance claim	-	2,600	2,600	3,700
Capital grants	-	8,556	8,556	8,354
Other donations	45,729	-	45,729	46,100
	<u>45,729</u>	<u>11,156</u>	<u>56,885</u>	<u>58,154</u>

The income from donations and capital grants was £56,885 (2016: £58,000) of which £45,729 was unrestricted (2016:£46,000), £2,600 was restricted (2016:£4,000) and £8,556 was restricted for fixed assets (2016:£8,000)

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,420,307	1,420,307	1,371,926
Other DfE / ESFA grants	-	105,262	105,262	111,684
	<u>-</u>	<u>1,525,569</u>	<u>1,525,569</u>	<u>1,483,610</u>
Other government grants				
Local authority grants	-	24,491	24,491	23,046
	<u>-</u>	<u>24,491</u>	<u>24,491</u>	<u>23,046</u>
Other funds				
Other incoming resources	2,992	-	2,992	2,000
	<u>2,992</u>	<u>-</u>	<u>2,992</u>	<u>2,000</u>
Total funding	<u>2,992</u>	<u>1,550,060</u>	<u>1,553,052</u>	<u>1,508,656</u>

The income from funding for educational operations was £1,553,052 (2016: £1,508,666) of which £1,550,060 was restricted (2016: £1,506,656) and £2,990 was unrestricted (2016: £2,000)

The academy trust received £24,491 from the local authority in the year.

There were no unfulfilled conditions or other contingencies relating to the grants in the year.

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Catering income	49,756	-	49,756	54,558
School uniforms	1,822	-	1,822	4,821
Parental Contributions	13,318	-	13,318	6,000
	<u>64,896</u>	<u>-</u>	<u>64,896</u>	<u>65,379</u>

The income from other trading activities was £64,896 (2016: £65,379) of which £65,379 was unrestricted (2016: £65,379)

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	<u>188</u>	<u>-</u>	<u>188</u>	<u>607</u>

The income from funding for investment income was £188 (2016:£607) for which £188 was unrestricted (2016:£607)

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	9,515	9,515	4,000
Academy's educational operations					
- Direct costs	985,268	69,650	66,368	1,121,286	1,178,793
- Allocated support costs	273,968	113,200	180,367	567,535	471,174
	<u>1,259,236</u>	<u>182,850</u>	<u>256,250</u>	<u>1,698,336</u>	<u>1,653,967</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for audit services	5,300	-
Operating lease rentals	5,204	2,559
Depreciation of tangible fixed assets	77,389	70,092
Net interest on defined benefit pension liability	<u>13,000</u>	<u>15,000</u>

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	1,225	1,120,061	1,121,286	1,178,793
Support costs - educational operations	508	567,027	567,535	471,174
	<u>1,733</u>	<u>1,687,088</u>	<u>1,688,821</u>	<u>1,649,967</u>

	2017 £	2016 £
Analysis of support costs		
Support staff costs	273,968	202,729
Depreciation and amortisation	7,739	7,009
Technology costs	2,160	2,498
Premises costs	80,336	87,302
Other support costs	151,239	142,231
Governance costs	52,093	29,405
	<u>567,535</u>	<u>471,174</u>

8 Staff costs

	2017 £	2016 £
Wages and salaries	1,002,018	981,771
Operating costs of defined benefit pension schemes	219,707	184,918
Staff costs	<u>1,221,725</u>	<u>1,166,689</u>
Supply staff costs	19,686	16,849
Staff development and other staff costs	17,825	13,444
Total staff expenditure	<u>1,259,236</u>	<u>1,196,982</u>

Staff numbers

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

	2017 Number	2016 Number
Teachers	16	16
Administration and support	37	28
Management	3	3
	<u>56</u>	<u>47</u>

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff costs

(Continued)

Higher paid staff

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

	2017 Number	2016 Number
	1	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £205,000 (2016: 209,000).

9 Trustees' remuneration and expenses

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

The value of trustees' remuneration and other benefits was as follows:

Mrs S Aston (headteacher and trustee):

Remuneration	£65,001 - £70,000	(2016:£70,001 - £75,000)
Employers' Pension Cont	£15,001 - £20,000	(2016:£10,001 - £15,000)

Mrs H Harrison (staff and trustee)

Remuneration	£50,001 - £55,000	(2016:£50,001 - £55,000)
Employers' Pension Cont	£10,001 - £15,000	(2016:£5,001 - £10,000)

Mr B Heades (staff and trustee)

Remuneration	£25,001 - £30,000	(2016:£25,001-£30,000)
Employers' Pension Cont	£5,001 - £10,000	(2016:£1 - £5,000)

Mrs J Thomas (staff and trustee)

Remuneration	£10,001-£15,000
Employers' Pension Cont	£1 - £5,000

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £ 2,000,000 on any one claim and is included in the total insurance cost.

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2016	3,244,265	39,155	51,314	3,334,734
Additions	143,500	16,737	15,449	175,686
	<u>3,387,765</u>	<u>55,892</u>	<u>66,763</u>	<u>3,510,420</u>
Depreciation				
At 1 September 2016	92,761	20,429	11,902	125,092
Charge for the year	49,153	15,066	13,170	77,389
	<u>141,914</u>	<u>35,495</u>	<u>25,072</u>	<u>202,481</u>
Net book value				
At 31 August 2017	<u>3,245,851</u>	<u>20,397</u>	<u>41,691</u>	<u>3,307,939</u>
At 31 August 2016	<u>3,151,504</u>	<u>18,726</u>	<u>39,412</u>	<u>3,209,642</u>

12 Debtors

	2017	2016
	£	£
Other debtors	4,622	5,554
Prepayments and accrued income	16,871	22,649
	<u>21,493</u>	<u>28,203</u>

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	14,053	6,321
Other taxation and social security	41,099	41,096
Accruals and deferred income	58,886	48,492
	<u>114,038</u>	<u>95,909</u>

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14	Deferred income	2017 £	2016 £
	Deferred income is included within:		
	Creditors due within one year	53,586	43,192
	Deferred income at 1 September 2016	43,192	40,013
	Released from previous years	(3,179)	
	Amounts deferred in the year	13,573	3,179
	Deferred income at 31 August 2017	53,586	43,192
15	Funds		
		Income	Expenditure
	Balance at 1 September 2016 £	£	£
		Gains, losses and transfers £	Balance at 31 August 2017 £
	Restricted general funds		
	General Annual Grant	30,000	1,420,307
	Other DfE / ESFA grants	-	(1,424,346)
	Other government grants	-	(105,262)
	Other restricted funds	-	(24,491)
		-	(2,600)
	Funds excluding pensions	30,000	1,552,660
	Pension reserve	(621,000)	-
		(591,000)	(53,000)
		1,552,660	57,000
		(1,609,699)	57,000
		(591,039)	(591,039)
	Restricted fixed asset funds		
	Transferred on conversion	3,138,000	-
	DfE / ESFA capital grants	30,000	-
	Private sector capital sponsorship	40,000	8,556
		-	(22,389)
		-	(55,000)
		3,208,000	168,601
		8,556	(77,389)
		168,601	3,307,768
	Total restricted funds	2,617,000	1,561,216
		(1,687,088)	225,601
	Unrestricted funds		
	General funds	182,517	113,805
		(11,248)	(168,601)
	Total funds	2,799,517	1,675,021
		(1,698,336)	57,000
		2,833,202	2,833,202

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Funds

(Continued)

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

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

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

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	52,289	1,371,926	(1,402,521)	8,354	30,048
Other DfE / ESFA grants	-	111,684	(113,008)	-	(1,324)
Other government grants	-	23,046	(23,046)	-	-
Other restricted funds	-	3,700	(3,700)	-	-
	<u>52,289</u>	<u>1,510,356</u>	<u>(1,542,275)</u>	<u>8,354</u>	<u>28,724</u>
Funds excluding pensions	(380,000)	-	(25,000)	(216,000)	(621,000)
	<u>(327,711)</u>	<u>1,510,356</u>	<u>(1,567,275)</u>	<u>(207,646)</u>	<u>(592,276)</u>
Restricted fixed asset funds					
Transferred on conversion	3,193,000	-	-	-	3,193,000
DfE / ESFA capital grants	40,000	8,354	(70,092)	(8,354)	(30,092)
Private sector capital sponsorship	-	-	-	44,730	44,730
	<u>3,233,000</u>	<u>8,354</u>	<u>(70,092)</u>	<u>36,376</u>	<u>3,207,638</u>
Total restricted funds	<u>2,905,289</u>	<u>1,518,710</u>	<u>(1,637,367)</u>	<u>(171,270)</u>	<u>2,615,362</u>
Unrestricted funds					
General funds	131,400	114,086	(16,600)	(44,730)	184,156
	<u>131,400</u>	<u>114,086</u>	<u>(16,600)</u>	<u>(44,730)</u>	<u>184,156</u>
Total funds	<u>3,036,689</u>	<u>1,632,796</u>	<u>(1,653,967)</u>	<u>(216,000)</u>	<u>2,799,518</u>

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Analysis of net assets between funds

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2017
	£	£	£	£
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	3,307,939	3,307,939
Current assets	256,472	-	(171)	256,301
Creditors falling due within one year	(139,999)	25,961	-	(114,038)
Defined benefit pension liability	-	(617,000)	-	(617,000)
	<u>116,473</u>	<u>(591,039)</u>	<u>3,307,768</u>	<u>2,833,202</u>

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	3,209,642	3,209,642
Current assets	184,156	124,633	(2,004)	306,785
Creditors falling due within one year	-	(95,909)	-	(95,909)
Defined benefit pension liability	-	(621,000)	-	(621,000)
	<u>184,156</u>	<u>(592,276)</u>	<u>3,207,638</u>	<u>2,799,518</u>

17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £21,000 (2016: £21,000) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £ 102,000 (2016: £ 100,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % 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.

Total contributions made	2017 £	2016 £
Employer's contributions	80,000	69,000
Employees' contributions	17,000	15,000
Total contributions	<u>97,000</u>	<u>84,000</u>

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.7	3.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.1

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

	2017 Years	2016 Years
Retiring today		
- Males	22.3	22.3
- Females	24.5	24.4
Retiring in 20 years		
- Males	23.9	24.1
- Females	26.5	26.7

Scheme liabilities would have been affected by changes in assumptions as follows:

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

	2017 Fair value £	2016 Fair value £
Equities	373,860	329,160
Bonds	168,840	63,300
Property	42,210	29,540
Other assets	18,090	-
Total market value of assets	603,000	422,000
Actual return on scheme assets - gain/(loss)	87,000	60,000

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	120,000	79,000
Interest income	(10,000)	(12,000)
Interest cost	23,000	27,000
Total operating charge	133,000	94,000

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2017	2016
	£	£
Obligations at 1 September 2016	1,043,000	658,000
Current service cost	120,000	79,000
Interest cost	23,000	27,000
Employee contributions	17,000	15,000
Actuarial loss	20,000	264,000
Benefits paid	(3,000)	-
At 31 August 2017	<u>1,220,000</u>	<u>1,043,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2017	2016
	£	£
Assets at 1 September 2016	422,000	278,000
Interest income	10,000	12,000
Actuarial gain	77,000	48,000
Employer contributions	80,000	69,000
Employee contributions	17,000	15,000
Benefits paid	(3,000)	-
At 31 August 2017	<u>603,000</u>	<u>422,000</u>
18 Reconciliation of net expenditure to net cash flows from operating activities	2017	2016
	£	£
Net expenditure for the reporting period	(23,315)	(21,171)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(8,556)	(8,354)
Investment income receivable	(188)	(607)
Defined benefit pension costs less contributions payable	40,000	10,000
Defined benefit pension net finance cost	13,000	15,000
Depreciation of tangible fixed assets	77,389	70,092
(Increase)/decrease in stocks	-	1,979
Decrease in debtors	6,710	619
Increase/(decrease) in creditors	18,129	(16,059)
Net cash provided by operating activities	<u>123,169</u>	<u>51,499</u>

THE MOSSLEY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust 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. The following related party transaction took place in the period of account.

Eaton Bank Academy is a company in which S Aston, the principle and a trustee; Mr K Smith, a trustee and Mrs R Simpson, a trustee have an interest. During the year, The Mossley Academy Trust paid £360 in relation to professional charges. There were no amounts outstanding at 31 August 2017.

Congleton Education Community Partnership is a company in which S Aston, the principle and a trustee has an interest. During the year, The Mossley Academy Trust paid £10,470 in relation to professional charges. There were no amounts outstanding at 31 August 2017.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2016.

20 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.