Registered number: 07698904

TWO MILE ASH SCHOOL

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2012

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TWO MILE ASH SCHOOL
(A company limited by guarantee)

CONTENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS FOR THE PERIOD ENDED 31 AUGUST 2012

Governors

Marilyn Hubbard, Chair (appointed 8 July 2011)[1]
Garry Payne, Vice Chair and Chair of the Finance Committee (appointed 8 July 2011)[1]
Sarah Bennett, Head Teacher (appointed 8 July 2011)[1]
Samantha James (appointed 6 August 2012)
Sue Lee-Delisle (appointed 6 August 2012)
Michael Turvey (appointed 6 August 2012)
Steven Fulton (appointed 6 August 2012)[1]
James Blackhurst (appointed 6 August 2012)[1]
Gregory Swepston (appointed 6 August 2012)
Mohammed Rangoonwala (appointed 6 August 2012)
Hasnain Datto (appointed 6 August 2012)
John Culley (appointed 6 August 2012)
Andrew Forbes (appointed 6 August 2012, resigned 22 March 2012)
Ian Trott (appointed 6 August 2012)

[1] Finance Committee

Company registered number

07698904

Registered office

The High Street,Two Mile Ash, Milton Keynes, Buckinghamshire, MK8 8LH

Principal operating office

The High Street, Two Mile Ash, Milton Keynes, Buckinghamshire, MK8 8LH

Auditors

Landers Accountants Ltd, 38 Market Square, Toddington, Dunstable, LU5 6BS

Solicitors

Stone King, 16 St John's Lane, London, EC1M 4BS

Responsible Officer

Landers Accountants Ltd, 38 Market Square, Toddington, Dunstable, LU5 6BS

TWO MILE ASH SCHOOL
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2012

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Two Mile Ash (the academy) for the period ended 31 August 2012 The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and was set up by a Memorandum of Association on 08/07/2011

The academy is constituted under a Memorandum of Association dated 08/07/2011 The board of governors are appointed as Directors to the charitable company for the purposes of company law

The principal object of the academy is to provide primary education for the 7-11 age range and offers a broad and exciting curriculum.

b. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association

c. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

A comprehensive Induction programme is in place for all newly appointed directors
Governor training is also accessed and directors are encouraged to attend relevant training to meet their needs
Two Mile Ash School seeks to provide appropriate and up to date advice guidance and training for staff and directors as new policy dictates All directors are provided with copies of policies, procedures, minutes, accounts, budgets, and all other documentation they will need to undertake their role effectively

d. ORGANISATIONAL STRUCTURE

Governing Body

The Board of Directors has has responsibility for setting and monitoring the overall direction of the academy and meets at least six times each year

Finances and Management Committee

This committee meets termly and considers and discusses key initiatives and recommends decisions to the full board

Sarah Bennett is the Accounting Officer The Board of Directors have delegated the following financial responsibilities to the Finance Committee

- Recommendation of the annual budget to the Board of Directors
- Monitoring income and expenditure against the budget and to revise forecasts for the year
- Awarding contracts to a specified limit
- Providing financial statements in accordance with the law and regulations

Terms of Reference are in place for the committee and are reviewed and agreed annually during the autumn

term to ensure they are fit for purpose.

The Board of Directors have appointed an independent clerking service to ensure accurate recording of minutes and that decisions are recorded in an impartial manner All minutes are reviewed and ratified at the next meeting of the Board of Directors

The Board of Directors has established a register of pecuniary interest which is updated annually in the Autumn term and is open to public examination

A scheme of financial delegation has been approved by the Board of Directors which highlights the authorisation limits for the Principal and the Finance Committee

The day to day running of the Two Mile Ash School Academy is delegated to the Principal who has overall responsibility along with the Senior Leadership Team

- Sarah Bennett- Principal
- Lucy Armstrong - Assistant Principal
- Kelly Cursley - Assistant Principal
- Kathryn Nethersole - Business Director.

The Articles of Association stipulate that the members can appoint up to 9 directors that include

- Principal
- 2 Staff Directors
- Parent Directors - a minimum of 3 Parent Directors
- 3 Co-opted

Staff Directors will be appointed by election from staff who are employed at the Academy Parent Directors will be elected by parents of registered pupils at the Academy A Parent Director must be a parent of a pupil at the Academy at the time he/she is elected All contested elections are held by secret ballot

The members can appoint up to 3 co-opted Directors whose selection will be based on the skills and attributes they can bring to the Board of Directors
In addition to the Principal, the following other key Senior Staff Members that comprise the Senior Leadership Team are responsible for the day to day management of the Academy

- Lucy Armstrong – Assistant Principal
- Kelly Cursley – Assistant Principal
- Kathryn Nethersole – Business Director

e. RISK MANAGEMENT

The Governors have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks

f. GOVERNORS' INDEMNITIES

Two Mile Ash School has purchased insurance to protect directors from claims arising from negligent acts, errors or omissions occurring whilst undertaking academy business The insurance provides cover up to £5 million in any one claim

g. PRINCIPAL ACTIVITIES

The Academy Trust's object is specifically restricted to the advance for the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum

Objectives and Activities

a. OBJECTS AND AIMS

Two Mile Ash School was established to

- To provide the highest possible standard of education for every child within the school having special regard for each individual child's particular needs
- To establish a caring community in which people can be happy and fulfilled
- To encourage tolerance and consideration for others, to develop an appreciation of team spirit and a sense of social responsibility.
- To raise the self-esteem of every child so that he or she may relate confidently to, and with empathy for others
- To encourage good habits of learning and equip children with the skills essential for success at secondary level and beyond
- To help each child discover his or her own creative and sporting talents, to encourage self-expressions and to promote an ethos in which the achievements of individuals are valued
- To encourage every pupil to fulfil his or her individual responsibilities within the school community and within society at large
- To give knowledge of the influences of Christian values upon society, without neglecting awareness of to other faiths and the belief which sustain them
- To promote the best possible partnership between the school, its pupils, its parents and its community, whilst at the same time reflecting any self-interest, prejudice or acts of intolerance by any individual within the partnership

TMA School Creed is an important part of school life The creed is continually embedded throughout the school's daily practice and remains at the heart of everything the school does as a community

There can never be another you You are more than just special you are unique
As a human being you will develop qualities and strength that should astound you
Use these strengths to overcome weakness
Never carry a prejudice for it will harm you, but always listen well
There is never an end to learning
Enlighten others through kindness and reasons Above all be fair.
Trust in yourself and search for the best in others
Always view the dawn as a new beginning and let your sunsets be full of memories
Time should be the canvas of your dreams.
Let the world be your masterpiece Colour it with happiness, share in the joy of others and be proud of your own successes
This is your time You are the artist who will inspire others
Let TMA be your academy

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The academy has strived to embed a rich and broad entitlement curriculum placing a sharp focus on delivering outstanding teaching and learning reflecting our core business of raising standard of achievement and attainment to place the academy with the top 5-10% of statistically similar mainstream schools nationally It has aimed to build upon existing programmes to put in place highly rigorous and robust annual framework for audit, monitoring, review and evaluation across all aspects of school work.
Two Mile Ash has grasped the new government agendas with enthusiasm It firmly believes that to be at the forefront of many of the white paper initiatives not only enable us to scope many of the programmes but also provide first class continual professional development for our staff This in turn leads to both positive recruitment and retention which inevitably impacts on the day to day experiences our children receive.
Being accredited facilitators of a number of Teaching and Learning programmes has also sharpened our awareness and has resulted in every area of school carrying out very specific self evaluation documents which focuses on action and impact This inevitably feeds into our strategic development plan to ensure the resources we have are focused, the impact measured and above all we are providing value for money.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Following the 2012 Key Stage Two SATs results the school continues to ensure that the pupils achieve outstanding attainment and progress compared to schools nationally. 96.5% of pupils achieved a level 4 or above in English and Maths combined, with 40% achieving a level 5 in both subjects (SATs Performance Summary 2012, TMA Raiseonline Report Summary, Raiseonline 2012 Report)

Our sporting success has been recognised through local, regional and national awards such as Buckingham Sports School of the Year and the National Sports School of the Year (PE Department Report to Governors, July 2012)

Additionally the Chair of Governors was accredited with the National Leader of Governance and the Head Teacher continues her role as a National Leader in Education where TMA acts as a National Support School driving school improvement both locally and nationally

With the successful Teaching School designation in April 2012, TMA is at the core of the Milton Keynes Teaching School Alliance working in partnership with a strategic board driving school improvement within the city and surrounding areas Consequently, TMA is regularly approached by the local authority to support schools across Milton Keynes A significant development is the support given to Orchard and Shepherdswell Schools with the Head Teacher now taking the role of Executive Head As a result, the growth and development of TMA's Strategic Leadership Team has enabled the capacity to continue striving for excellence across all schools

d. PUBLIC BENEFIT

The directors have taken the Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this report.

In accordance with its charitable objective Two Mile Ash School strives to

- Advance the education of the children and young people attending its academy The academy's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout our school
- Promote for the benefit of the inhabitants of the wider community, and the surrounding areas, through the provision of facilities for recreation and leisure time activities during hours beyond the school day

[illegible]

Achievements and performance

a. GOING CONCERN

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

b. KEY FINANCIAL PERFORMANCE INDICATORS

The board uses the following performance indicators to assess the success of the activities of the academy

- Attendance data
- Number of applications received for entry into Year 3
- Number of pupils on waiting list for all year groups
- Percentage of pupils achieving or exceeding Level 4 by the end of KS2
- Percentage of pupils making or exceeding two levels progress by end of KS2
- Partnerships with other schools and organisations
- Community use of facilities

c. REVIEW OF ACTIVITIES

The Raise online Summary Report 2012 shows that TMA has achieved outstanding attainment and progress compared to schools nationally At Level 4 and above there are no gender differences to address FSM children attain as well as other groups in the school as do children whose first language is not English Children with SEN attain well compared to the same groups nationally 100% of School Action children attained L4 English against 65% National Average

When considering prior attainment bands, the school successfully converted 11% of the 'Low Band' to a Level 5 in maths. In maths the school performed well by ensuring 12% of pupils achieved Level 6 in maths compared to the national average of 3% The 2012 average point score in 'all subjects' at 30.4 is the highest for the last five years and is higher than the national average at 28 2 The maths APS at 30.8 is 2.4 points above national which is a significant achievement Children for whom English is not a first language, attained 31 1 APS in English Indian children had an APS of 34 1 in 'all subjects' and performed extremely well in maths with an APS of 36 1 compared to 28 4 nationally

The progress made by children from the end of Y2 to the end of Y6 was significantly better than schools nationally For both Maths and English, the Value Added Score was 100 9 putting the school in the top 19% of all schools nationally

Our key driver is the commitment to raise standards for all pupils The Senior Leadership Team hold teachers to account through rigorous pupil progress meetings where target children are monitored, progress is measured and appropriate interventions applied as well as recognising and celebrating where rapid and sustained progress is achieved.

Financial review

a. RESERVES POLICY

The governors review the reserves to ensure that the Academy has sufficient reserves in place to fund unexpected expenditure and the provide funding to recurrent expenditure should there be an unexpected delay in receiving money

b. PRINCIPAL FUNDING

The principal funding of the Academy is from the EFA for education of the pupils at Two Mile Ash. Other sources of income are derived from the Teaching Agency for the provision for training teachers at Two Mile Ash and partnering schools. Further income is received from activities and services that enhance the standard of education at the school or local schools

Plans for the future

a. FUTURE DEVELOPMENTS

Two Mile Ash School development plans will continue to focus on improving the high quality of teaching and learning and the facilities in which its children learn and enable it to maintain 'outstanding' school status

It aims to expand its facilities by building a new specialist teaching block 'fit-for purpose' to cater for expanding pupil numbers and provision for KS1 Two Mile Ash School strives to improve community use of the school and provision should be enhanced by the new building, which will offer outstanding provision for both academic study and sports developments

As part of the MK school effectiveness board, Two Mile Ash has huge responsibility for school improvement across Milton Keynes schools As a teaching school we are responsible for the deployment of many systems leaders to work with schools with specific need One of these projects has been to work with the sponsor to raise standards in a failing school As the executive head our head teacher has ultimate accountability for this school The plan for Two Mile Ash is to become a sponsor in its own right By becoming part of an academy trust our aim is to have a number of schools both failing and successful led and managed by the trust We feel the positives of this are huge as we work together to ensure the best practice is happening in our schools

MEMBERS' LIABILITY

The current members of the charitable company are
- Steven Fulton
- Marilyn Hubbard
- Garry Payne

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 but not exceeding £10 for the debts and liabilities contracted before they ceased to be a member

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2012

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

AUDITORS

The auditors, Landers Accountants Ltd, have indicated their willingness to continue in office The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors

This report was approved by order of the members of the governing body on 20 December 2012 and signed on its behalf by

.....
Marilyn Hubbard, Chair Governor and Director

.....
Garry Payne, Vice Chair and Chair of the Finance Committee Governor and Director

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Two Mile Ash School 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 governing body 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 Two Mile Ash School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The governing body has formally met 8 times during the year Attendance during the year at meetings of the governing body was as follows

Governor	Meetings attended	Out of a possible
Sarah Bennett, Head Teacher	8	8
James Blackhurst	8	8
John Culley	8	8
Hasnain Datoo	8	8
Steven Fulton	8	8
Andrew Forbes	3	3
Marilyn Hubbard, Chair of the Governing Body	8	8
Samantha James	6	8
Sue Lee-Delisle	5	7
Garry Payne, Vice Chair of the Governing Body and Chair of the Finance Committee	8	8
Mohammed Rangoonwala	6	8
Gregory Swepston	5	5
Ian Trott	8	8
Michael Turvey	8	8

The **Finance and General Purposes Committee** is a sub-committee of the main governing body Its purpose is to add value and to operate within its Terms of Reference

Attendance at meetings in the year was as follows

Governor	Meetings attended	Out of a possible
Marilyn Hubbard, Chair	6	7
Garry Payne, Vice Chair	7	7
Sarah Bennett, Head Teacher	7	7
Stephen Fulton	6	7
James Blackhurst	7	7

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the

GOVERNANCE STATEMENT (continued)

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 Two Mile Ash School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements This process is regularly reviewed by the governing body

THE RISK AND CONTROL FRAMEWORK

The academy'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 governing body,
- 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 (as set purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor However, the governors have appointed Landers Accountants Ltd, a professional firm as Responsible Officer ('RO') The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities

REVIEW OF EFFECTIVENESS

As Accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

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

The Accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 governing body on and signed on their behalf, by

Marilyn Hubbard, Chair
Governor

Sarah Bennett, Head Teacher
Accounting officer

TWO MILE ASH SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting officer of Two Mile Ash School I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook

I confirm that I and the academy governing body 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's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date

Sarah Bennett, Head Teacher
Accounting officer

Date· 20/12/2012

TWO MILE ASH SCHOOL
(A company limited by guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2012

The Governors (who act as trustees for charitable activities of Two Mile Ash and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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

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

Approved by order of the members of the governing body on 20 December 2012 and signed on its behalf by:

M A Hubbard
.....
Marilyn Hubbard, Chair
Governor

[illegible]

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TWO MILE ASH SCHOOL

We have audited the financial statements of Two Mile Ash School for the period ended 31 August 2012 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

This report is made solely to the academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements.

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report for the financial period for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TWO MILE ASH SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Robert Brown (Senior statutory auditor)

for and on behalf of

Landers Accountants Ltd

Registered Auditors

38 Market Square
Toddington
Dunstable
LU5 6BS
Date

[illegible]

[illegible]

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- [illegible]
- [illegible]
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[illegible]

[illegible]

Registered Office:

[illegible]
Technologies
[illegible]
[illegible]
[illegible]

INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO TWO MILE ASH SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 26 July 2011 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Two Mile Ash School during the period 8 July 2011 to 31 August 2012 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 Two Mile Ash School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Two Mile Ash School and the EFA 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 Two Mile Ash School and the EFA, for our work, for this report, or for the conclusion we have formed

RESPECTIVE RESPONSIBILITIES OF TWO MILE ASH SCHOOL'S ACCOUNTING OFFICER AND THE AUDITORS

The Accounting officer is responsible, under the requirements of Two Mile Ash School's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook as published by DfES in 2012, 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 2011/12. 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 8 July 2011 to 31 August 2012 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 2011/12 issued by the EFA We performed a limited assurance engagement as defined in our engagement letter

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 8 July 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO TWO MILE ASH SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

Landers Accountants Ltd

Registered Auditors

38 Market Square
Toddington
Dunstable
LU5 6BS

Date

TWO MILE ASH SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	3	64,592	265,023	5,194,614	5,524,229
Activities for generating funds	4	182,635	-	-	182,635
Investment income	5	661	-	-	661
Incoming resources from charitable activities	6	157,955	3,559,823	-	3,717,778
TOTAL INCOMING RESOURCES		405,843	3,824,846	5,194,614	9,425,303
RESOURCES EXPENDED					
Costs of generating funds					
Activity expenses and other costs	4	160,035	-	-	160,035
Charitable activities	12	181,211	3,508,100	126,181	3,815,492
Governance costs	8	-	503	-	503
TOTAL RESOURCES EXPENDED	11	341,246	3,508,603	126,181	3,976,030
NET INCOMING RESOURCES BEFORE TRANSFERS		64,597	316,243	5,068,433	5,449,273
Transfers between Funds	22	-	(177,725)	177,725	-
NET INCOME FOR THE YEAR		64,597	138,518	5,246,158	5,449,273
Actuarial gains and losses on defined benefit pension schemes		-	(39,000)	-	(39,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		64,597	99,518	5,246,158	5,410,273
Total funds at 8 July 2011		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2012		64,597	99,518	5,246,158	5,410,273

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

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

The notes on pages 21 to 42 form part of these financial statements

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5 [illegible] AUDITED [illegible] ACCOUNTS

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	Note	[illegible]	[illegible]	[illegible]	[illegible]
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TWO MILE ASH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07698904

BALANCE SHEET
AS AT 31 AUGUST 2012

	Note	2012 £	2012 £
FIXED ASSETS			
Tangible assets	19		**5,246,158**
CURRENT ASSETS			
Debtors	20	**161,109**	
Cash at bank and in hand		**205,249**	
		366,358	
CREDITORS: amounts falling due within one year	21	**(80,243)**	
NET CURRENT ASSETS			**286,115**
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,532,273**
Defined benefit pension scheme liability	27		**(122,000)**
NET ASSETS/(LIABILITIES) INCLUDING PENSION SCHEME LIABILITIES			**5,410,273**
FUNDS OF THE ACADEMY			
Restricted funds.			
Restricted funds	22	**221,518**	
Restricted fixed asset funds	22	**5,246,158**	
Restricted funds excluding pension liability		**5,467,676**	
Pension reserve		**(122,000)**	
Total restricted funds			**5,345,676**
Unrestricted funds	22		**64,597**
TOTAL FUNDS			**5,410,273**

The financial statements were approved by the Governors, and authorised for issue, on 20 December 2012 and are signed on their behalf, by:

.....
Marilyn Hubbard, Chair

.....
Gary Payne, Vice Chair and Chair of the Finance Committee

The notes on pages 21 to 42 form part of these financial statements

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Period ended 31 August 2012 £
Net cash flow from operating activities	24	3,522
Capital expenditure and financial investment		(177,725)
Cash transferred on conversion to an academy trust	26	379,452
INCREASE IN CASH IN THE PERIOD		205,249

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2012

	Period ended 31 August 2012 £
Increase in cash in the period	205,249
MOVEMENT IN NET FUNDS IN THE PERIOD	205,249
NET FUNDS AT 31 AUGUST 2012	205,249

The notes on pages 21 to 42 form part of these financial statements

STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR CHARITY USE
FOR THE PERIOD ENDED 31 AUGUST 2012

	Unrestricted funds 2012 £	Restricted funds 2012 £	Endowment funds 2012 £	Total funds 2012 £
Net movement in funds for the year	64,597	99,518	-	164,115
NET MOVEMENT IN FUNDS AVAILABLE FOR FUTURE ACTIVITIES	64,597	99,518	-	164,115

The notes on pages 21 to 42 form part of these financial statements

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction issued by the EFA, applicable accounting standards and the Companies Act 2006

1.2 Company status

The academy is a company limited by guarantee The members of the company are the Governors named on page 1 In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes The aim and use of each designated fund is set out in the notes to the financial statements

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

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

Investment income, gains and losses are allocated to the appropriate fund

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1. ACCOUNTING POLICIES (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy

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 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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service

1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use Other support costs are allocated based on the spread of staff costs

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

Charitable activities are costs incurred in the academy's educational operations

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

1. ACCOUNTING POLICIES (continued)

1.6 Going concern

The governors assess whether the use of going concern is appropriate i e whether there are any material uncertainities related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern The governors make this assessment in respect of a period of one year from the date of approval of the financial statements

1.7 Turnover

Turnover comprises revenue recognised by the academy in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts

1.8 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy

The policy with respect to impairment reviews of fixed assets is carried out if events or changes in circumstance 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

Tangible fixed assets are stated at cost less depreciation Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	50 Years Straight Line
Property Improvements	-	10 Years Straight Line
Property Improvements	-	10 Years Straight Line
Plant and machinery	-	5 Years Straight Line
Computer equipment	-	3 Years Straight Line
Fixtures and fittings	-	5 Years Straight Line

1.9 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives Assets acquired by hire purchase are depreciated over their useful lives Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the academy Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

1. ACCOUNTING POLICIES (continued)

1.10 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.12 Taxation

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

1.13 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned Other grants are credited to the Statement of financial activities as the related expenditure is incurred

1.14 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS") These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method As stated in note 27, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year

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1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on the settlements and curtailments They are included as part of staff costs Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested If the benefits have not vested immediately, the costs are recognised over the period vesting occurs The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest Actuarial gains and losses are recognised immediately in other gains and losses.

1.15 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Two Mile Ash School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the academy would expect to pay in an open market for an equivalent item Their fair value is in accordance with the accounting policies set out for academy The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds

The valuation of the land and property has been determined by a surveyor appointed by the EFA The valuation is on Depreciated Replacement Cost Fixtures, fittings and any other equipment in use within the school on conversion has been valued at a reasonable estimate of the current market value This has been performed by staff members and confirmed by members of the governing body. As at the date of conversion the net liability for the Local Government Pension Scheme has been ascertained and off-set against the assets introduced into the academy The overall fair value of all assets and liabilities at the date of conversion is included within the SOFA under donations

Further details of the transaction are set out in note 26

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2. GENERAL ANNUAL GRANT (GAG)

	2012 £
Result and Carry Forward for the Year	
GAG Allocation for current period	2,528,864
Total GAG Available to spend	2,528,864
Recurrent expenditure from GAG	(2,433,056)
Fixed assets purchased from GAG	(177,725)
Funds on transfer (GAG)	303,435
GAG Carried forward to next year	221,518
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(303,464)
GAG to surrender to DfE	(81,946)
(12% rule breached if result is positive)	No breach

3. VOLUNTARY INCOME

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Donations	64,592	5,459,637	5,524,229

4. TRADING ACTIVITIES

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Charity trading income			
Catering income	182,635	-	182,635
Trading expenses			
Cost of goods and wages	160,035	-	160,035
Net income from trading activities	22,600	-	22,600

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3. [illegible]

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4. [illegible] ACTIVITIES

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5. INVESTMENT INCOME

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Investment income	661	-	661

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Educational operations	5,321	3,096,193	3,101,514
School trips and activities	152,634	-	152,634
Initial Teacher Training Partnership	-	463,630	463,630
	157,955	3,559,823	3,717,778

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
DfE/EFA revenue grant			
General Annual Grant (GAG)	-	2,594,253	2,594,253
Start up grants	-	25,000	25,000
Other DfE / YPLA	-	27,293	27,293
Nurture funding	-	35,770	35,770
Training and salary grants from ITTP	-	80,883	80,883
Other services	-	57,200	57,200
Local Authority grants	-	100,101	100,101
Other grants	-	25,499	25,499
Capital funding	-	27,892	27,892
Rental income	5,321	-	5,321
Other income	-	20,831	20,831
Breakfast, after school and holiday clubs	-	101,471	101,471
	5,321	3,096,193	3,101,514

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Educational operations	15,043	3,206,738	3,221,781
School trips and activities	166,168	-	166,168
ITTP	-	427,543	427,543
	181,211	3,634,281	3,815,492

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £
Educational operations	2,313,300	126,181	782,300	3,221,781
School trips and activities	-	-	166,168	166,168
ITTP	85,017	-	342,526	427,543
	2,398,317	126,181	1,290,994	3,815,492

8. GOVERNANCE COSTS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £
Governors expenses	-	503	503

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

9. DIRECT COSTS

	Basis of Allocation	Educational operation £	School Funds £	ITTP £	Total 2012 £
Pension income		4,000	-	-	4,000
Teaching and education		11,528	-	-	11,528
Educational supplies		62,744	-	-	62,744
Staff development		12,987	-	-	12,987
Educational consultancy		11,811	-	-	11,811
Other direct costs		16,713	-	-	16,713
Recruitment		1,255	-	-	1,255
Maintenance of premises		169,238	-	-	169,238
Cleaning		8,837	-	-	8,837
Rent and rates		25,233	-	-	25,233
Insurance		32,950	-	-	32,950
Security and transport		23,744	-	-	23,744
Light and heat		30,748	-	-	30,748
School clubs and activities		37,107	-	-	37,107
Computer costs		44,465	-	-	44,465
School trips and activities		-	166,168	-	166,168
Payments to partnership schools		-	-	342,526	342,526
Wages and salaries		1,622,683	-	51,031	1,673,714
National insurance		120,514	-	-	120,514
Pension cost		209,609	-	-	209,609
		2,446,166	166,168	393,557	3,005,891

10. SUPPORT COSTS

	Basis of Allocation	Educational operatio £	ITTP £	Total 2012 £
Other direct costs		87,210	-	87,210
School clubs and activities		190,003	-	190,003
Consultancy costs		3,588	-	3,588
Computer costs		6,845	-	6,845
Bank charges		1,294	-	1,294
Wages and salaries		303,782	33,986	337,768
National insurance		19,381	-	19,381
Pension cost		37,331	-	37,331
Depreciation		126,181	-	126,181
		775,615	33,986	809,601

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £
Catering expenditure	53,240	-	106,795	160,035
Costs of generating funds	53,240	-	106,795	160,035
Educational operations	2,313,300	126,181	782,300	3,221,781
School trips and activities	-	-	166,168	166,168
Initial Teacher Training Partnership (ITTP)	85,017	-	342,526	427,543
Charitable activities	2,398,317	126,181	1,290,994	3,815,492
Governance	-	-	503	503
	2,451,557	126,181	1,398,292	3,976,030

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £	Support costs 2012 £	Total 2012 £
Educational operations	2,446,166	775,615	3,221,781
School trips and activities	166,168	-	166,168
Initial Teacher Training Partnership (ITTP)	393,557	33,986	427,543
Total	3,005,891	809,601	3,815,492

13. TURNOVER

The whole of the turnover is attributable to providing catering facilities to schools

All turnover arose within the United Kingdom

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14. NET INCOMING RESOURCES

This is stated after charging:

	Period ended 31 August 2012 £
Depreciation of tangible fixed assets	
- owned by the charity	126,181
Auditors' remuneration	9,000

During the period, no Governors received any remuneration
During the period, no Governors received any benefits in kind
During the period, no Governors received any reimbursement of expenses

15. STAFF COSTS

Staff costs were as follows

	Period ended 31 August 2012 £
Wages and salaries	2,056,341
Social security costs	141,173
Other pension costs (Note 27)	254,044
	2,451,558

The average number of persons (including the senior management team) employed by the academy during the period expressed as full time equivalents was as follows

	Period ended 31 August 2012 No.
Teachers and classroom assistants	49
Admin and support	21
Management	5
	75

The number of employees whose emoluments fell within the following bands was

	Period ended 31 August 2012 No.
In the band £100,001 - £110,000	1

IThe Academy paid pension contributions of £12,825 in respect of the above individual This represents the cost for the 13 month period up to 31 August 2012

16. GOVERNORS' REMUNERATION

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors No registered member of the charitable company received any remuneration.

17. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was *£1,660*

The cost of this insurance is included in the total insurance cost

18. OTHER FINANCE INCOME

	Period ended 31 August 2012 £
Expected return on pension scheme assets	5,000
Interest on pension scheme liabilities	(9,000)
	(4,000)

19. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £
Cost				
Additions	5,155,518	108,996	17,075	42,395
At 31 August 2012	5,155,518	108,996	17,075	42,395
Depreciation				
Charge for the period	89,379	11,213	6,028	15,283
At 31 August 2012	89,379	11,213	6,028	15,283
Net book value				
At 31 August 2012	5,066,139	97,783	11,047	27,112

19. TANGIBLE FIXED ASSETS (continued)

	Other fixed assets £	Total £
Cost		
Additions	48,355	5,372,339
At 31 August 2012	48,355	5,372,339
Depreciation		
Charge for the period	4,278	126,181
At 31 August 2012	4,278	126,181
Net book value		
At 31 August 2012	44,077	5,246,158

Included in land and buildings is freehold land at valuation of £1,030,338 which is not depreciated

20. DEBTORS

	2012 £
Trade debtors	87,283
Other debtors	41,892
Prepayments and accrued income	31,934
	161,109

21. CREDITORS:
Amounts falling due within one year

	2012 £
Trade creditors	176
Other creditors	25,388
Accruals and deferred income	54,679
	80,243

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Voluntary funds	-	178,055	(166,168)	-	-	11,887
General funds						
General Funds - all funds	-	227,788	(175,078)	-	-	52,710
Total Unrestricted funds	-	405,843	(341,246)	-	-	64,597
Restricted funds						
General Annual Grant (GAG)	-	2,832,299	(2,433,056)	(177,725)	-	221,518
Start up grant	-	25,000	(25,000)	-	-	-
Nurture funding	-	35,770	(35,770)	-	-	-
Training teachers grants	-	80,883	(80,883)	-	-	-
Other restricted funds	-	940,894	(940,894)	-	-	-
Pension reserve	-	(90,000)	7,000	-	(39,000)	(122,000)
	-	3,824,846	(3,508,603)	(177,725)	(39,000)	99,518
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	-	5,194,614	(126,181)	177,725	-	5,246,158
Total restricted funds	-	9,019,460	(3,634,784)	-	(39,000)	5,345,676
Total of funds	-	9,425,303	(3,976,030)	-	(39,000)	5,410,273

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	-	178,055	(166,168)	-	-	11,887
General funds	-	227,788	(175,078)	-	-	52,710
	-	405,843	(341,246)	-	-	64,597
Restricted funds	-	3,824,846	(3,508,603)	(177,725)	(39,000)	99,518
Restricted fixed asset funds	-	5,194,614	(126,181)	177,725	-	5,246,158
	-	9,425,303	(3,976,030)	-	(39,000)	5,410,273

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £
Tangible fixed assets	-	-	5,246,158	5,246,158
Current assets	64,597	301,760	-	366,357
Creditors due within one year	-	(80,242)	-	(80,242)
Provisions for liabilities and charges	-	(122,000)	-	(122,000)
	64,597	99,518	5,246,158	5,410,273

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £	Discontinued £	Period ended 31 August 2012 Total £
Net incoming resources before revaluations	5,449,273	-	5,449,273
Fair value of assets on conversion	(5,499,368)	-	(5,499,368)
Depreciation of tangible fixed assets	126,181	-	126,181
Increase in debtors	(184,807)	-	(184,807)
Increase in creditors	80,243	-	80,243
FRS 17 adjustments	32,000	-	32,000
Net cash inflow from operations			3,522

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

20. ANALYSIS OF THE NOTE ACCRETE ET DEFERRED [illegible]

	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] RECONCILIATION OF CURRENT [illegible] ACTIVITIES

	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

	Period ended 31 August 2012 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(177,725)

25. ANALYSIS OF CHANGES IN NET DEBT

	8 July 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
Cash at bank and in hand	-	205,249	-	205,249
Net funds	-	205,249	-	205,249

26. CONVERSION TO AN ACADEMY TRUST

On 1 August 2011 Two Mile Ash School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Two Mile Ash School from Milton Keynes Council for £NIL consideration

The transfer has been accounted for using the acquisition method The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as voluntary income

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	5,155,518	5,155,518
- Other tangible fixed assets	-	-	39,097	39,097
Budget surplus/(deficit) on LA funds	-	303,435	-	303,435
Budget surplus/(deficit) on other school funds	64,592	-	-	64,592
LGPS pension surplus/(deficit)	-	(90,000)	-	(90,000)
Surplus/(deficit) on ITTP	-	10,727	-	10,727
Net assets/(liabilities)	64,592	224,162	5,194,615	5,483,369

The above net assets include £379,454 that were transferred as cash

The land and buildings were transferred over on a freehold basis.

27. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3 5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

The contribution rate paid into the TPS is assessed in two parts First, a standard contribution rate ('SCR') is determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3 5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6 5%

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19 75%, and the supplementary contribution rate was assessed to be 0 75% (to balance assets and liabilities as required by the regulations within 15 years) This resulted in a total contribution rate of 20 5%, which translated into an employee contribution rate of

[illegible]

27. PENSION COMMITMENTS (continued)

6 4% and employer contribution rate of 14 1% payable The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6 4% and 8 8%, depending on a member's Full Time Equivalent salary Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme The academy is unable to identify its share of the underlying assets and liabilities of the scheme Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds The total contribution made for the period ended 31 August 2012 was £107,000, of which employer's contributions totalled £82,000 The agreed contribution rate for future years are 19 1% for employers and 5.5-7 5% for employees

As described in note 26 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date

The amounts recognised in the Balance sheet are as follows

	Period ended 31 August 2012 £
Present value of funded obligations	(266,000)
Fair value of scheme assets	144,000
Net liability	(122,000)

27. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows

	Period ended 31 August 2012 £
Current service cost	(71,000)
Interest on obligation	(9,000)
Expected return on scheme assets	5,000
Total	(75,000)
Actual return on scheme assets	8,000

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

	Period ended 31 August 2012 £
Opening defined benefit obligation	119,000
Current service cost	71,000
Interest cost	9,000
Contributions by scheme participants	25,000
Actuarial Losses	42,000
Closing defined benefit obligation	266,000

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

	Period ended 31 August 2012 £
Opening fair value of scheme assets	29,000
Expected return on assets	5,000
Actuarial gains and (losses)	3,000
Contributions by employer	82,000
Contributions by employees	25,000
	144,000

The cumulative amount of actuarial losses recognised in the Statement of total recognised gains and losses was £39,000

The academy expects to contribute £88,000 to its Defined benefit pension scheme in 2013

27. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2012
Equities	64.00 %
Gilts	7.00 %
Other Bonds	10.00 %
Property	8.00 %
Cash	2.00 %
Alternative Assets	9.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	2012
Discount rate for scheme liabilities	3.90 %
Rate of increase in salaries	4.10 %
Rate of increase for pensions in payment / inflation	1.90 %
Inflation assumption (CPI)	1.90 %

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

	2012
Retiring today	
Males	20.0
Females	24.0
Retiring in 20 years	
Males	22.0
Females	25.9

Amounts for the current period are as follows

Defined benefit pension schemes

	2012 £
Defined benefit obligation	(266,000)
Scheme assets	144,000
Deficit	(122,000)
Experience adjustments on scheme liabilities	(42,000)
Experience adjustments on scheme assets	3,000

28. OPERATING LEASE COMMITMENTS

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as follows

	2012 £
Expiry date:	
Within 1 year	7,627
Between 2 and 5 years	968
After more than 5 years	5,377

All of the above committments relate to equipment.

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures

During the period the academy paid £61,421 and committed to a further £28,254 for building and maintenance work carried out by HGH Ltd HGH Ltd is controlled by the husband of Sarah Bennett the Headteacher of the school

Pecuniary interest is declared at all times by the Headteacher and on behalf of the Headteacher where this is appropriate Rigorous process of value for money is obtained and records maintained and reviewed by the academy's governors

30. CONTROLLING PARTY

There is no controlling party for the period