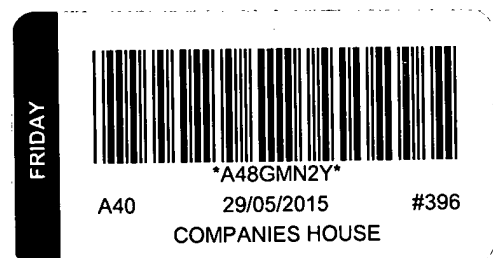


**REPORT OF THE GOVERNORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014  
FOR**

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

Landers Accountants Ltd  
Church View Chambers  
38 Market Square  
Toddington  
Dunstable  
Bedfordshire  
LU5 6BS



**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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FOR THE YEAR ENDED 31 AUGUST 2014**

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**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**MEMBERS**

G P Payne  
M A Hubbard  
S J Fulton

**GOVERNORS**

S E Bennett (Head Teacher) \*  
J I Blackhurst (Chair of Finance and Premises Committee)  
\*  
H Datto  
S J Fulton \*  
S James  
S Lee Delisle (resigned 4/7/14)  
G P Payne \*  
G Swepton  
M Turvey  
M A Hubbard (Chair of Governors) \*  
K Cursley

\* members of the finance and premises committee

**REGISTERED OFFICE**

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

**REGISTERED COMPANY  
NUMBER**

07698904 (England and Wales)

**AUDITORS**

Landers Accountants Ltd  
Church View Chambers  
38 Market Square  
Toddington  
Dunstable  
Bedfordshire  
LU5 6BS

**SENIOR MANAGEMENT TEAM**

S Bennett - Headteacher  
L Armstrong - Deputy Headteacher  
K Cursley - Deputy Headteacher  
R Tite - Head of Finance and Operations

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**ADVISERS**

**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)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2014. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The academy is constituted under a Memorandum of Association dated 8 July 2011. The board of governors are appointed as directors to the charitable company for the purposes of company law.

**Members' liability**

The current members of the charitable company are:

- S Fulton
- M Hubbard
- G 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' 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.

**Principal activities**

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

The Academy Trust's object are 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.

**Recruitment and appointment of new 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.

**Induction and training of new governors**

A comprehensive Induction programme is in place for all newly appointed directors.

Governor training is also accessed and governors 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 governors as new policy dictates. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, and all other documentation they will need to undertake their role effectively.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

Governing Body

The Governing Body has had responsibility for setting and monitoring the overall direction of the academy and meets at least six times each year.

Finance and Resources 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 Governing Body have delegated the following financial responsibilities to the Finance Committee:

- Recommendation of the annual budget to the Governing Body
- 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 Governing Body 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 Governing Body.

The Governing Body 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 Governing Body which highlights the authorisation limits for the Head Teacher and the Finance Committee.

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

- Sarah Bennett - Head Teacher
- Lucy Armstrong - Deputy Head Teacher
- Kelly Cursley - Deputy Head Teacher
- Robert Tite - Head of Finance and Operations.

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

- Head Teacher
- 2 Staff Governors
- Parent Governors - a minimum of 3 Parent Governors
- 3 Co-opted.

Staff Governors will be appointed by election from staff who are employed at the Academy. Parent Governors will be elected by parents of registered pupils at the Academy. A Parent Governor 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 Governors whose selection will be based on the skills and attributes they can bring to the Governing Body. These are non-voting positions.

In addition to the Head Teacher, the following other key Senior Staff Members that comprise the Senior Leadership Team are responsible for the day to day management of the Academy:

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

- Lucy Armstrong – Deputy Head Teacher
- Kelly Cursley – Deputy Head Teacher
- Robert Tite – Head of Finance and Operations.

**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.

**Connected organisations including related party relationships**

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 from time to time transactions will take place with organisations in which a director of the Board of Governors may have an interest.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Objectives and Aims of Two Mile Ash School**

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 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.

Two Mile Ash 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 Two Mile Ash be your academy.

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.

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.



**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Objectives and Aims of Initial Teacher Training**

We ensure that we are successful in 'Inspiring tomorrow's teachers' through meeting the following Partnership aims:

- To ensure that outcomes for pupils remains at the heart of our vision, so that our preparation of excellent teachers wholly supports the increasingly diverse needs of the expanding local school community.
- To provide a high quality programme of initial teacher training which delivers a comprehensive, inspirational and motivating training experience.
- To offer an exciting complement of rich environments; within which individuals will flourish as highly effective and creative teachers for the 21st century.
- To enable student teachers to become confident and committed practitioners, who are proactive in leading their own professional development, through deep and incisive self-reflection.
- To develop student teachers' subject knowledge for teaching so that they demonstrate their ability to deliver stimulating lessons in which the learners are engaged and make maximum progress.
- To seamlessly blend academic study with practical experience to develop the highest levels of professional attributes, knowledge, understanding and skills.
- To engage in research and development opportunities in order that The Partnership remains at the forefront of innovative practice in Initial Teacher Education and Training.
- To set high expectations of professionalism for all; celebrating a teacher's role and position in society.

It is the responsibility of all members of TMA ITT Partnership to promote equality of opportunity and eliminate discrimination in the selection, training and assessment of trainees in accordance with TMA ITT Equal Opportunity Policy and Race Equality Policy. Policies are set out explicitly in The Two Mile Ash ITT Partnership Handbook, which must be read in conjunction with this Agreement.

**Objectives and Aims of the Milton Keynes Teaching School Alliance**

As an Alliance, we value the work of all individuals, groups and organisations who endeavour to support our vision and share effortlessly their expertise in the raising of standards; of learner outcomes, transformational leadership & management, exceptional teaching, learning and support.

We believe that our work is to build effective partnerships, secure entitlement and demonstrate considerable impact.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Objectives, Strategies and Activities of Two Mile Ash School**

As an Outstanding Academy we are always striving to do better. We never rest on our laurels and through the many different accolades we have it is evident that we always respond to government initiatives, developing a real system led approach to school improvement to develop a high quality, sustainable model for not only our immediate locality but much more far reaching.

To that end we are creative in our approach, have a sharp focus on facilitating outstanding learning which is reflected in our core business of ensuring every child reaches their full potential, academically, emotionally, physically and socially. We have created a whole school curriculum offer which is innovative, is exciting, is re-defined by using technology, is based around real life experiences and prepares children for life in twenty first century Britain. We have a vision of teaching children in specialist, well equipped classrooms; a science lab in a primary school where children can be inquisitive, can become scientists and enjoy experimenting. A technology centre of excellence where the world can be discovered in the classroom, where film and broadcast can be fed to our link schools around the world. As an Arts Mark Gold School we want drama, music, art with specialised bespoke areas that will enhance our creativity and imagination, where we are not inhibited by formal classroom space. Above all, we want children to be secondary ready; to have a smoother transition when they leave for secondary school and the next stage of their development.

For the academic year 2013/14 the school identified 6 key strategic aims which would impact positively on its future direction. These were:

**1. Achievement and Standards**

**English - Writing Targets and Actuals**

	<u>Targets</u>	<u>Actuals</u>
Level 5 or above	53.53%	49%
Level 4 or above	97.65%	97%
Level 4b or above	90.59%	91%

**English - Reading Targets**

	<u>Targets</u>	<u>Actuals</u>
Level 5 or above	55%	52%
Level 4 or above	99.41%	99%
Level 4b or above	96.47%	87%

**Maths - Targets**

	<u>Targets</u>	<u>Actuals</u>
Level 5 or above	58.83%	51%
Level 4 or above	97.66%	96%
Level 4b or above	92.95%	88%

**Year 6 Combined English and Maths Targets**

	<u>Targets</u>	<u>Actuals</u>
Level 6	3.5%	-
Level 5	44.7%	37%
Level 4	94%	95%

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Objectives, Strategies and Activities of Two Mile Ash School (continued)**

**2. Teaching Learning**

Performance Management of Teachers to have a far more rigorous impact on teacher performance and the subsequent exploration of performance related pay and the relationship between achievement of targets set.

**3. Developing capacity of Whole School Leadership**

Sharp focus on the development of key strategic leaders within the school due to executive head model

1. Increase the number of Specialist Leaders of Education
2. Development of Team as Ofsted inspectors
3. Support the opportunity for Masters Level Recognition and research based study
4. Development of team as a Maths specialist teacher, NCETM Professional Development accredited Lead
5. Recognition of team member as a Local Authority Writing Moderator for KS 2

**4. Curriculum Provision for Children**

New changes to national curriculum to be researched and developed in preparation for a whole school offer to be launched in 2014/15

Development of subject leaders and middle managers to create programmes of study that will complement the core offer.

**5. Behaviour and Safety**

Behaviours towards learning to have a positive effect on engagement of children in lessons and responsibility around the whole school environment.

Sharper analysis of the behaviours of children who are experiencing difficulties in order to enhance the provision offered and look for patterns in behaviour that can be addressed.

**6. Expansion**

Under new expansion plans develop a EYFS and Key Stage 1 setting to enhance the learning of children from the very early stages of development, through KS2 and into secondary School.

Specialised classrooms created to enhance teaching and learning and equip children in their journey into secondary school.

**Objectives, Strategies and Activities of Initial Teacher Training**

Outstanding ITT Provision is fundamental to the sustainability of the teaching profession. A provider for over ten years, we have been responsible for the training of over 200 teachers into Milton Keynes and beyond. With over 40 schools within our consortium, we ensure high quality mentoring and coaching in our partnership schools in addition to the training and development for the student themselves. This partnership is robust, it is challenging and that is why the trainees develop into excellent practitioners and future leaders in a very short space of time. Schools in turn, are reflective, teachers are constantly analysing their practise and the very best provision is bestowed on the children. This year the development of the provision to including a PGCE model and an Early Years aspect has ensured that we will continue to provide the 'Outstanding' provision that Ofsted recognised in April 2013.

We drive outstanding leadership and management within our partnership to provide outstanding teachers for local schools. We are achieving well over 90% of trainees successfully gaining employment and remaining in local schools. Since our partnership started training teachers 11 years ago, over 150 of our teachers have been recruited into the expanding Milton Keynes Primary sector.

"The key strengths of the partnership are outstanding leadership and management, which ensure that the vision for excellence is realised, shared within the leadership team and permeates all aspects of the partnership." (Ofsted report March 2013)

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Objectives, Strategies and Activities of Initial Teacher Training (continued)**

The partnership is looking to double in size as it transforms into a school-centred initial teacher training provide (SCITT) from September 2013, preparing teachers to teach in the Early Years Foundation stage. The SCITT will work in collaboration with Oxford Brookes University to provide added academic rigour.

**Objectives, Strategies and Activities of the Milton Keynes Teaching School Alliance**

The Milton Keynes Teaching School Alliance (MKTSA) is our teaching school. As a centre of excellence we feel it is our duty to support the continuing improvements to the education system. As one of only 500 national teaching schools (and the only primary in the immediate locality) we take our role very seriously. With an Alliance of over 100 schools we provide school to school support at every level. High quality Professional Development for staff is key. We have developed training that is relevant, motivating and innovative. Designed to ensure teachers and school leaders deserve the best to ensure they are inspired and are involved in research projects so that we keep evolving as we understand more about the way children learn. School leadership is fundamental. As an academy we have trialled a variety of models to support schools; deployment of the Headteacher in her capacity as a National Leader of Education, the support of school Governance with the Chair carrying out Governance Reviews on local primary schools to support the strategic direction and vision but by far the most successful to bring about the rapidity of change is wrapping our outstanding school around a school in special measures. Contracting with a local Trust and using an Executive Head model over a two year period has paid huge dividends in terms of the development of staff, the expectations of the children and the engagement of parents. A sharp focus on school leadership has guaranteed a rapid and robust improvement system which is sustainable and has the capacity for future growth.

In our Alliance the highest level of expertise must be utilised, to meet our current and evolving aim. Through synergy and playing to the strengths of individuals, groups and organisations, we believe our intelligently deployed, creative partnerships & pooled resources provides an unrivalled offering to support schools and individuals as well as the local authority to provide support to underperforming schools. All prospective teachers, existing teachers and leaders in education that the teaching school work with and support have the right to the highest standards of training, guidance, support, development and influence; to lead them to become the best that they can be.

As a Teaching School we share excellence in leadership, pedagogy, training, development and support over the broadest possible geographical area; to maximise the positive impact on lives of the greatest number of young people.

Training, development and support offered by our Teaching School shows at all times, maximum, demonstrable and measurable correlated impact on the lives of young people.

As an Alliance established geographically at the heart of the Milton Keynes, we are ideally centrally located for maximum impact reflecting core aspirations of the city of Milton Keynes itself.

**Public Benefit**

The directors have complied with the Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") 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.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Activities for Achieving Objectives for Two Mile Ash School**

**Achievement and Standards**

To ensure pupil's achievement remains outstanding early identification must be accurate and high quality individualised support provided. A focus initially is on the social emotional aspects of learning before knowledge and understanding is explored. Children are tracked regularly and provision analysed to ensure rapid progress is being made, especially when additional resources are deployed to close any educational gaps the individual may have.

Home and school collaboration is essential. Pupil involvement has been targeted so that children own their own learning. Strategies have been introduced to motivate children to be accepting of challenge, to take risks and to challenge their thinking.

Reading for pleasure has been a high priority across the curriculum. Resources and training have developed a love of reading and to understand how reading can support us in everyday life.

Children enter the school with significantly above average levels of attainment. The challenge for TMA has been to ensure more than expected progress is being made in all subjects, culminating in exceptionally high levels of attainment. Work across the school has been done to recognise these exceptionally high achievers and support the teachers in their subject knowledge and skill to keep pushing the academic boundaries, not only for the high achievers but for every group of children to ensure they reach their full potential; regardless of background, culture or ability.

**Teaching and Learning**

External and internal training has been provided to ensure that all teaching staff have a very informed, unbiased understanding of the new performance related pay. Research has been undertaken to ensure the new policy is fair but rigorous and reflects the whole school ethos of continuous development of both individuals and collectively. Quality assurance measures have been put in place so that a consistent approach is always adopted and that reviewers are able to challenge and set targets appropriate and relevant and above all impact on learning.

**Developing the Capacity of Whole School Leadership**

As TMA is committed to school to school support the capacity of the Leadership Team is essential. The drive and ambition of the Team as a whole is dependent on high quality professional development to remain at the cutting edge of educational development. To that end resources have been allocated to a variety of professional development mechanisms that not only develop the individual but impact on whole school improvement. In turn, it is the leadership team who have the responsibility to develop senior and middle leaders so that the capacity of the school is ready for its next chapter, the move to developing a Multi Academy Trust.

**Curriculum Provision**

The development of a New National Curriculum has forced many schools to adopt new, off the shelf curriculums where there is no ownership and no understanding of how the more academic curriculum fits into the whole school curriculum offer. The MKTSA has been ahead of the game and ensured that its Alliance members have been able to embrace the new theories while simultaneously working together to create something innovative and exciting which will prepare our children as thinkers in the future. The development of new subject leaders has created another dimension to this development and to that end coaching and mentoring of these middle leaders has been fundamental to this whole process. Next year we will continue to develop our offer further and embed a culture where children are inspired and drive their own learning.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**OBJECTIVES AND ACTIVITIES**

**Activities for Achieving Objectives for Two Mile Ash School (continued)**

**Behaviour and Safety**

A robust system of monitoring linked to children's profiles has enabled the newly appointed behaviour specialist to analyse the picture of the whole child and ascertain what provision is required to enable all children to be successful. Relevant training has been delivered to ensure a consistent approach and to provide all adults with the knowledge of the individual circumstances to understand why the child is presenting in this way. Children have developed high expectations of each other and know instinctively if school expectations have been waived from.

High quality supervision and a safe environment makes sure that pupils are protected and well behaved during unstructured times like lunch. The recruitment of positive play leaders allow pupils to take charge of their own behaviour and the children know where to get help and support in the numerous lunchtimes clubs if required.

**Expansion**

The school has committed a huge amount of time to working with architects and contractors to facilitate the vision of Early Years education and specialised classrooms for older children. The DFE has granted a change in age range, the new admission criteria has been consulted upon and the leadership team have visited many schools and explored many philosophies on early year's education. A huge amount of resource has been allocated to this venture to which the Council has not permitted planning permission. The school is now considering its options going forward.

**Activities for Achieving Objectives for Initial Teacher Training**

Two Mile Ash School has achieved Ofsted Outstanding for our Initial Teacher Training (ITT) provision in 2013 which further embeds the teaching and learning provision and recruitment and retention of trainees and staff within Milton Keynes. Outstanding recruitment procedures lead to the selection of potentially good and outstanding trainees to the programme in its final year, with 100% successful completion rate.

The outcomes for our trainees are outstanding, as commented by Ofsted. The confidence of the trainees is underlined by the many recently qualified teachers who have achieved specialist teacher status, taken up leadership role, and who have become school-based trainers themselves.

"The high quality trainees, who demonstrate very high aspirations, develop quickly into good and outstanding teachers, often move on to leadership roles and who make a significant contribution to improving pupils' attainment in the local area." Ofsted 2013.

**Activities for Achieving Objectives for the Milton Keynes Teaching School Alliance**

MKTSA has continued with the success of the Teaching School during this year and have continued to lead a wide range of activities to evidence our impact against the six strands of work as outlined by National College for Teaching and Learning (NCTL).

We have provided a range of CPD opportunities, scholarships have been awarded for the NPQSL programme as well as attendance at NPQML. MKTSA have supported many schools during the year and have been involved in projects supporting Closing the Gap, Leading to Success and SEND.

We continue to lead and drive the new National Curriculum, providing key conferences with high profile speakers for over 50 schools. These are supported by seminars that will help shape thinking and develop new knowledge and skills necessary to prepare for 2014 and a network of educational. We are leading research and development projects as this arena has begun to emerge in Teaching and Learning and are working with local and national partners.

We have successfully recruited and deployed SLEs (Specialist Leaders in Education) to a number of schools and projects and continually review the demand for specialist provision across the area.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**STRATEGIC REPORT**

**Achievement and performance**

*Review of activities*

**Achievement and Performance of Two Mile Ash School**

The Raise online Summary Report for 2014 shows that the school 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 reading and maths against 67% National average for maths and 74% for reading.

When considering prior attainment bands, the school successfully converted 18% of the 'Low Band' to a Level 5 in maths. In maths the school performed well by ensuring 15% of pupils achieved Level 6 in maths compared to the national average of 9%. The 2014 average point score (APS) in 'all' subjects' at 30.4 and is higher than the national average of 28.7. The maths APS at 30.7 is 1.7 points above national and writing 29.9 against 27.9 nationally which is a significant achievement.

Children for whom English is not a first language, attained 31.0 APS in reading (28.3 nationally) writing and maths. Indian children had an APS of 33.5 in 'all subjects' and performed extremely well in maths with an APS of 35.2 compared to 31.0 nationally. The Value Added Score for all subjects combined is 100.4.

The School has performed 9th in a League table against similar schools nationally and number 2 in the Milton Keynes Locality.

**Orchard Academy**

The end of a two year contract to improve the performance of Orchard Academy culminated in the Ofsted report of June 2014 where the Executive Headteacher, 'shows considerable determination and persistent in raising pupil's achievement...providing exceptional leadership and setting high expectations for all pupils and staff.'

This was mirrored in the KS 2 SATs Results where 93% of the children achieved a level 4 or above in reading, 95% in writing, 95% in maths and 90% in SAPG. (combined 93%) Level 5 or above results were 58% reading, 23% writing, 50% maths 9135 level 6) and 48% SPAG (18% combined). Progress measures were also impressive with 91% of the children making more than 2 levels progress, 97% writing and 97% maths.

Although the contract with the school has now come to an end the Headteacher is still working with the school in an NLE capacity coaching the Headteacher to ensure maximum capacity to gain Outstanding Status.

The school has now been ranked number 6 with similar schools nationally and is currently at number 6 in the league tables for Milton Keynes Schools.

**Teaching and Learning**

The new appraisal system has had a very positive impact on teacher performance. Our key drive 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.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**Achievement and Performance of Two Mile Ash School (continued)**

As a result, much of the teaching is now outstanding and never less than good. There is now an acute understanding of the connectivity between performance and pay with teachers taking accountability for their children's performance. A more rigorous approach to gathering evidence to support a teacher's performance has been put in place with regular monitoring and support programmes to ensure all standards are met at the appropriate career stage. Through the very solid links with the teaching school, professional development is a given at TMA. This could be in the form of courses, school to school support or the coaching and mentoring from the leadership team. As a result, only two teachers didn't meet their targets and hence had no increment in pay. These teachers have now had an intense programme of CPD to ensure they meet their targets by December 2014.

**Developing the Capacity of Whole School Leadership**

The intense academic research that is at the core of our thinking means that the SLT have a well thought through programme of development. We firmly believe that to be at the forefront of many white paper initiatives not only to enable us to scope many of the programmes we write for the teaching school but also to provide first class CPD for all staff. We have piloted the new inspection framework for HMI to ensure we help to shape the national inspection framework of the future. We currently have 3 trained Ofsted inspectors on the leadership team, a head teacher who is an associate inspector for HMI, a NCETM Professional Development Accredited Lead who is also a maths specialist teacher and just returned from Shanghai to support the development of maths nationally, 2 members of staff who have just completed their Masters Degrees, numerous Specialist Leaders in Education who participate in school to school support and a Headteacher and a Chair of Governors who are National Leaders. Consequently TMA is well positioned both locally and nationally to continue to drive forward and keep evolving. It is only through developing leaders in the way that we do will TMA remain Outstanding.

**Behaviour and Safety**

The overall personal development and well-being is excellent. External professionals have judged the behaviours of our children as 'exemplary' with children engaged in their learning. They are resilient and enjoy the challenges presented to them on a daily basis. For those children who are experiencing difficulties bespoke programmes have been put in place. The hugely successful inclusion team is supporting the needs of these children through targeted speech and language therapy, The Haven, Educational Psychologist, play therapy and much more. Views have been gathered by all stakeholders and as a result the behaviour and safety of children at TMA is outstanding.

**Achievement and Performance of the Initial Teacher Training**

The Two Mile Ash School Initial Teacher Training Partnership offers 5 primary education programmes in Milton Keynes. As the lead school, we work with 22 partner schools and 14 associate schools. We prepare trainees to teach pupils in the 5-11 and 3-7 age ranges.

Two Mile Ash ITT Partnership is currently the only primary-based accredited teacher training provider, directly offering school-centred initial teacher training (SCITT), serving the local community. The partnership was established in 2002, is well experienced in leading initial teacher training and has provided the local area with hundreds of primary school teachers during that time. Milton Keynes is an exciting, vibrant new city, where the school community continues to grow each year. The building of new schools inspires creativity, pioneering new environments and practice; and the opportunities for teachers' professional development exceeds that of more established communities. All Partnership schools are carefully selected on the basis of their effectiveness and expertise. They are required to demonstrate a strong commitment to school centred initial teacher training, with a passion for establishing a professional learning community for their staff. The Partnership thrives because of the active role that schools take in the design and delivery of the programme.



**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**STRATEGIC REPORT**

**Achievement and performance**

*Review of activities*

Achievements of the ITT in 2013/14 are as follows:-

- Exceeded expectations for grade 1 by 10%
- 10% more than expected grade 3s - although there have always been more than predicted for this band - identifying potential during selection assumes benefit of the doubt!
- 4/8 are borderline, all within a 2/3 weeks of sustaining at grade 2
- 3/8 are due to professional tensions
- 1/8 due to low starting points

The overall quality of ITT provision has been rated as follows:-

<b>Outcomes for Trainees</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Attainment	2	2
How well trainees teach	2	2
Completion rates	1	1
Employment rates	1	1

<b>Quality of training across the Partnership</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Overall consistency, coherence and quality of all aspects of the training	2	1
High quality training and support that prepares trainees with the skills they need	2	1
Quality and range of placements	1	1
Phase specific mentoring	2	1
Accuracy of assessment	2	1

<b>Leadership and management of the partnership</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
Vision for excellence	1	1
Engagement of schools, colleges and/or other settings	1	1
Rigour of recruitment and selection process	2	1
Effective monitoring and evaluation	2	1
Compliance with ITT criteria and requirements	1	1
Capacity to improve further	1	1

Key factors relating to the Quality grades above

- Fee paying nature of programme - changing mind set
- Transition to become a SCITT - late recruitment
- New 3-7 programme
- Introduction of PGCE
- Increase from 11 ' 22 schools in partnership
- New SBTs - how to scaffold the learning for students

**Achievement and Performance of the Milton Keynes Teaching School Alliance**

As part of the MK school effectiveness board, Two Mile Ash School 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.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**STRATEGIC REPORT**

**Achievement and performance**

**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.

**Key financial performance indicators**

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

	2013/14 target	Actual
Attendance data	96%	96%
Number of Applications Received for entry into Year 3	170	251

Partnerships with other Schools and Trusts: Very solid relationships currently exist with all local schools. The Headteacher and the Chair of Governors are on the local authority's Strategic School Effectiveness Board and therefore have a crucial involvement in school improvement across MK. The School is a fundamental strategic partner for two other Trusts and has strong links with the National College of Teaching and Leadership, the Headteacher is on the South East Reference group for Ofsted and is very prominent in the world of ITT and Oxford Brooks University.

**Financial review**

***Reserves policy***

The governors review the reserves to ensure that the Academy has sufficient reserves in place to fund unexpected expenditure and to provide funding to recurrent expenditure should there be an unexpected delay in receiving money. Reserves are to be bolstered over the coming year.

***Funds in deficit***

**Local Government Pension Scheme**

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit of £308,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The recognition of this deficit has no direct impact on the free reserves of the Academy Trust.

***Principal funding sources***

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 National College for Teaching and Leadership (NCTL) 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. Further funds are received from the NCTL and Local Authority for the MKTSA activities.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**STRATEGIC REPORT**

**Principal risks and uncertainties**

The Governors have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School, and its finances. The Governors have implemented a number of systems, including the Risk Register, to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems including operational procedures (e.g. vetting of new staff and visitors) and internal financial controls in order to minimise risk. Where significant financial risks still remain they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission.

**Financial and risk management objectives and policies**

The School has undertaken work during the year to develop and embed the system of internal control, including financial, operational and risk management of the School which is designed to protect the School's assets and reputation.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**STRATEGIC REPORT**

**Future Developments of Two Mile Ash School**

Long Term Aspirations For Two Mile Ash School 2014-2017

**Curriculum Provision for Children**

- Whole school curriculum consistently and unequivocally features all qualities outlined in the TMA offer
  - Rising numbers of children (and groups of children) exceed national expectations
  - A broad, balanced, rich and vibrant curriculum which excites and motivates the children, enabling them to develop confidence in themselves as independent, enthusiastic, lifelong learners
  - Essential skills are embedded within the curriculum and exhibit personal capabilities
  - Embed a culture where children drive their own learning and are skilled in making choices to challenge themselves appropriately
- TMA are recognised locally and nationally as a model of excellence, externally validated as outstanding

**Leadership Qualities of Every Member of TMA Community**

- A shared vision for the TMA community of leadership qualities is established, where actions reflect the vision across all stakeholders
- Trends of career progression indicate an increase in the rate of internal recruitment to leadership positions.
- Teacher appraisal system indicates that from inaugural year, success seen in achieving leadership development targets is steadily increasing.
- As role modelling of high quality leadership increases, children demonstrate increased leadership qualities.
- TMA is regarded as a preferred choice when selecting leaders for education across Milton Keynes and beyond

**Raising Expectations that our children are Responsible Citizens**

- All children have a clear understanding of the concepts of citizenship, identifying with British democracy and justice, identifying and fulfilling rights and responsibilities and connecting with identities and diversity through living together in the UK
- Recognised nationally for developments within Citizenship

**Technology supporting education at TMA**

- Whole school infrastructure has the capacity to enable new technology to be used efficiently and effectively in every aspect of school life
  - Short, medium and long term plan to be created to provide the school with the latest , most innovative resources to enhance learning both through the TMA experience and beyond
  - All teaching and learning activities have reference to technology as a way to create, stimulate and redefine (SAMR)
  - All stakeholders are proactively engaged in the learning experience of the TMA community
  - Children are the most proficient where they are surpassing expectations
- TMA is regarded as a lead school for the development and use of innovative technology

**System leadership**

- All staff will have a clear understanding of their role in enhancing and supporting a school led improvement model both locally and nationally
- To create leaders at every level who have the experience to support the TMA longer term vision of multi academy trust
- The teaching school will establish an identity as a beacon of highly effective school improvement which is sustainable and adds capacity to TMA School

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**STRATEGIC REPORT**

**Future Developments of Two Mile Ash School (continued)**

**Internal cohesion and External Communication**

- Internal Cohesion (Working together towards the same vision in an effective manner)
- That all stakeholders have a thorough understanding of our school vision and understand the importance of working together and giving clear communication across the school. That our approach to any activity considers the impact it has across school and that by being better informed we can all drive towards our shared vision.
- External Communications (Positive experience for Parents and Community)
- That Parents understand the school and its activities at all times during the course of the year and are aware of the school's vision that we drive to achieve. Our communication will be by a convenient method and will always be clear, appropriate and in a timely manner. In addition we aspire that our community is more actively part of the school and are proud of its development.

**Future Developments of Initial Training Development**

**Student Outcomes**

1. To ensure the highest expectations for our student teachers' professionalism are established and maintained from selection through to final assessment.
  - Assessments for PPC indicate 100% good or better with greater than 50% Outstanding.
  - Exit evaluations from students, SBTs and Heads indicate no issues relating to professionalism.
  - Partnership records indicate no causes for concern in relation to professionalism
  - Increase the high proportion of students (from 89% ' 95%) indicating on the exit evaluation that the following is Outstanding:
    - To encourage students to set the highest possible expectations for both their own learning and the learning of pupils."
    - SBT exit evaluation indicates that over 50% of students demonstrate Outstanding in our initial measure of:
    - How well prepared Students are to maintain highest levels of professionalism as an NQT"
2. To further enhance assessment systems so that the prime focus is on our student teachers' impact on pupil progress through evaluating the quality of teaching over time.
  - Student overall attainment indicates at least 50% Outstanding with no more than 10% satisfactory.
  - Increase student attainment of TS2 so that at least 50% of students attain at the Outstanding grade and 0% attain at grade 3.
3. To enhance the provision in relation to development of subject knowledge for teaching across all subjects in relation to the new Primary curriculum.
  - Increase in attainment of TS3 so that at least 50% demonstrate Outstanding with 0% satisfactory.
  - Increased confidence levels in preparedness for teaching all curriculum subjects
  - To increase SBT confidence in their Students' teaching of English so that at least 50% are rated as Outstanding with no more than 10% satisfactory.

**Quality of Training Across the Partnership**

4. To regain the feeling of coherent immersion in school environments so that relationships with colleagues and children return to the high quality we experienced with the GTP.
  - Exit evaluation indicates at least 15% improvement in Outstanding with 0% satisfactory:
    - "To blend academic study with practical experience to develop the highest levels of professional attributes, understanding and skills"
    - "To provide rich and supportive environments for individuals to develop their teaching abilities"
5. To increase guidance and support provided to the new cohort of SBTs.
  - Increase in SBT satisfaction in all areas by at least 10% as indicated by the SBT exit evaluation analysis 2015.
  - Individual session evaluations indicate 100% good or better.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**STRATEGIC REPORT**

**Future Developments of Initial Training Development (continued)**

**Leadership and Management**

6. To ensure communication is swift, accurate and sustains the local professional reputation built up over the years.

- 100% of responses to exit survey indicate good or better communication across the partnership with at least 50% outstanding.
- Effective website - number of hits measured to provide a baseline
- Effective VLE recognised to contribute to the support and guidance received by Students and SBTs, 100% evaluating tool to be good or better in first year.

7. To increase numbers of applications to the programme so that we can guarantee those selected by the Partnership demonstrate the potential to be at least secure good across all Standards and PPC by the end of the programme.

- Increase in number of enquiries
- Increase in number of applications
- Increase in number of applicants deemed suitable for a 'reserve' list Increase in confident selection (i.e. 100% students allocated during first wave of selection process)

8. To increase efficiency of financial processes and review levels of funding passed to schools for their contributions to the Programme.

- 95% of payments are received within 2 weeks of invoice.
- Charging policy compliments that of wider MKTSA activity.

**Future Developments of the Milton Keynes Teaching School Alliance**

Priorities of the MKTSA are as follows:-

- To establish efficient and effective systems for administering the planned CPD offer for 2014-15.
- To build MKTSA reputation through effective branding communication, and marketing.
- To determine the most effective relationship with the LA.
- To re-establish an effective strategic board so that momentum for improvement is regained.
- To determine the scope of provision required for MK Schools 2015-16.
- To effectively market the offer so that take up proves viable.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the governors are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each governor has taken all the steps that they ought to have taken as a governor in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

**AUDITORS**

The auditors, Landers Accountants Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on 18 December 2014 and signed on the board's behalf by:



M A Hubbard - Chair of Governors

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

**Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Two Mile Ash School (A company limited by Guarantee) has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement of loss.

The board of the governors has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Two Mile Ash School (A company limited by Guarantee) and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities. The board of governors has formally met 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
S E Bennett (Head Teacher)	7	7
J I Blackhurst	6	7
J Culley	1	1
H Datto	6	7
S J Fulton	6	7
M A Hubbard (Chair)	7	7
S James	5	7
S Lee-Delisle	4	7
G P Payne	5	7
G Swepston	6	7
S Townsend	2	5
M Turvey	5	7
K Cursley	7	7

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
M A Hubbard (Chair of Board of Governors)	5	7
G P Payne	5	7
S E Bennett (Head Teacher)	7	7
S J Fulton	6	7
J I Blackhurst (Chair of Finance and General Purposes Committee)	5	7

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

**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 Two Mile Ash School (A company limited by Guarantee) for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

**The Risk and Control Framework**

The academy'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 Board of Governors has considered the need for a specific internal audit function and have continued to appoint Landers Accountants Ltd, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial statements. On a termly basis, the auditor reports to the Board of Trustees 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 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.



**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

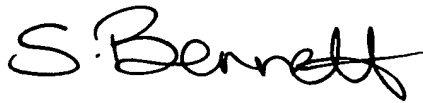
**Review of Effectiveness**

The trust has not undertaken a self-evaluation or external review of governance within the current financial year but expects to do so in 2014/15.

Approved by order of the members of the board of trustees on 18 December 2014 and signed on its behalf by:

A handwritten signature in black ink that reads "M A Hubbard". The letters are cursive and slightly slanted to the right.

M A Hubbard - Chair of Governors

A handwritten signature in black ink that reads "S E Bennett". The letters are cursive and slightly slanted to the right.

S E Bennett - Accounting Officer

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2014**

As accounting officer of Two Mile Ash School (A company limited by Guarantee) I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 trust board of governors 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.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of governors and EFA. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.

During the year in question the School identified the circumvention of set procedures and policies by an individual for their own benefit. The School has taken steps to recover the majority of funds misappropriated by this individual, and is taking further steps to recover the balance through all available channels. The School has carried out its own thorough internal investigation alongside its external auditors and is satisfied that controls are in place to prevent a recurrence.

During the process of reviewing correspondence and updates issued by the EFA it was identified that the School was working from the September 2013 release of the Academies Financial Handbook up until May 2014. On review of the updated version - issued November 2013 the School was identified as not compliant in requesting information from 'Connected Parties' for services 'at cost'. The school followed fully its own Financial Procedures and Processes and is satisfied that Value for Money, objectivity and independence were maintained. Since May 2014 the 'at cost' guidance has been followed fully.



S E Bennett - Accounting Officer

18 December 2014

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF GOVERNORS RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2014**

The governors (who act as trustees of Two Mile Ash School (A company limited by Guarantee) and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business. .

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust 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 academy trust 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 required to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust'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 board of governors on 18 December 2014 and signed on it's behalf by:



M A Hubbard - Chair of Governors

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

We have audited the financial statements of Two Mile Ash School (A company limited by Guarantee) for the year ended 31 August 2014 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 Accounts Direction 2013 to 2014 issued by the Education Funding Agency (EFA).

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

**Respective responsibilities of governors and auditors**

As explained more fully in the Statement of Governors Responsibilities, the governors (who are also the directors of the charitable company 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 trust'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 Report of the Governors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2014 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 Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**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  
Church View Chambers  
38 Market Square  
Toddington  
Dunstable  
Bedfordshire  
LU5 6BS

18 December 2014

**Note:**

The maintenance and integrity of the Two Mile Ash School (A company limited by Guarantee) website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE) AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Two Mile Ash School (A company limited by Guarantee) during the period 1 September 2013 to 31 August 2014 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 (A company limited by Guarantee) 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 (A company limited by Guarantee) 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 (A company limited by Guarantee) and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Two Mile Ash School (A company limited by Guarantee)'s accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Two Mile Ash School (A company limited by Guarantee)'s funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 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 matter 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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE) AND THE EDUCATION FUNDING AGENCY**

**Conclusion**

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which cover them.

Matter 1 - Academy funds were misappropriated by an individual no longer employed by the Academy. Steps have been taken to successfully recover the majority of funds misappropriated by this individual, and the Academy is taking further steps to recover the balance.

Matter 2 - The Academy has not complied with the 'at cost' requirements set out by the EFA with effect from 7 November 2013. The transactions are described at note 26 to the financial statements.

Robert Brown (Senior Statutory Auditor)  
for and on behalf of Landers Accountants Ltd  
Church View Chambers  
38 Market Square  
Toddington  
Dunstable  
Bedfordshire  
LU5 6BS

18 December 2014

**TWO MILE ASH SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

				2014	2013
		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	Notes	£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	3	-	-	-	2,770
Activities for generating funds	4	189,218	-	-	148,516
Investment income	5	405	-	-	427
<b>Incoming resources from charitable activities</b>					
Academy's educational operations	6	117,614	3,426,705	16,049	3,656,250
Initial Teacher Training Partnership		-	402,733	-	483,296
<b>Other incoming resources</b>		-	-	-	12,056
<b>Total incoming resources</b>		307,237	3,829,438	16,049	4,303,315
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	9	295,878	-	-	270,478
<b>Charitable activities</b>					
Academy's educational operations	11	-	3,503,432	150,647	3,734,915
Initial Teacher Training Partnership		-	375,260	-	362,100
<b>Governance costs</b>	13	-	14,306	-	12,000
<b>Total resources expended</b>	8	295,878	3,892,998	150,647	4,379,493
<b>NET INCOMING/ (OUTGOING) RESOURCES BEFORE TRANSFERS</b>					
		11,359	(63,560)	(134,598)	(76,178)
<b>Gross transfers between funds</b>					
	24	(35,253)	(35,648)	70,901	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>					
		(23,894)	(99,208)	(63,697)	(76,178)

The notes form part of these financial statements



**TWO MILE ASH SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

				2014	2013
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Restricted</b>	
		<b>funds</b>	<b>funds</b>	<b>fixed asset</b>	
		<b>£</b>	<b>£</b>	<b>funds</b>	
	Notes				
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Other recognised gains/losses</b>					
Actuarial gains/losses on defined benefit schemes		-	(146,000)	-	(10,000)
		<u>-</u>	<u>(146,000)</u>	<u>-</u>	<u>(10,000)</u>
<b>Net movement in funds</b>		(23,894)	(245,208)	(63,697)	(86,178)
		<u>(23,894)</u>	<u>(245,208)</u>	<u>(63,697)</u>	<u>(86,178)</u>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		52,436	15,647	5,256,012	5,410,273
		<u>52,436</u>	<u>15,647</u>	<u>5,256,012</u>	<u>5,410,273</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>28,542</u>	<u>(229,561)</u>	<u>5,192,315</u>	<u>5,324,095</u>

**CONTINUING OPERATIONS**

All incoming resources and resources expended arise from continuing activities.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes form part of these financial statements

**TWO MILE ASH SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE) (REGISTERED NUMBER: 07698904)**

**BALANCE SHEET**  
**AT 31 AUGUST 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	17	5,105,474	5,223,912
<b>CURRENT ASSETS</b>			
Debtors	18	223,439	202,344
Cash at bank and in hand		<u>342,888</u>	<u>329,766</u>
		566,327	532,110
<b>CREDITORS</b>			
Amounts falling due within one year	19	(367,507)	(289,927)
<b>NET CURRENT ASSETS</b>		<u>198,820</u>	<u>242,183</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,304,294	5,466,095
<b>CREDITORS</b>			
Amounts falling due after more than one year	20	(4,998)	-
<b>PENSION LIABILITY</b>	25	(308,000)	(142,000)
<b>NET ASSETS/(LIABILITIES)</b>		<u>4,991,296</u>	<u>5,324,095</u>

The notes form part of these financial statements

**TWO MILE ASH SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE) (REGISTERED NUMBER: 07698904)**

**BALANCE SHEET - CONTINUED**  
**AT 31 AUGUST 2014**

	Not es 24	2014 £	2013 £
<b>FUNDS</b>			
Unrestricted funds:			
General fund		28,542	52,436
Restricted funds:			
General Annual Grant (GAG)		-	114,392
Restricted pension fund		(308,000)	(142,000)
Initial Teacher Training		597	(26,875)
Milton Keynes Teaching			
School Alliance		<u>77,841</u>	<u>70,130</u>
		(229,562)	15,647
Restricted Fixed Asset Funds		<u>5,192,316</u>	<u>5,256,012</u>
<b>TOTAL FUNDS</b>		<u><u>4,991,296</u></u>	<u><u>5,324,095</u></u>

The financial statements were approved by the Board of Governors on 18 December 2014 and were signed on its behalf by:

*M A Hubbard.*

M A Hubbard -Chair of Governors

*J Blackhurst*

J Blackhurst -Governor

The notes form part of these financial statements

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

		<b>2014</b>	<b>2013</b>
	Notes	£	£
<b>Net cash inflow from operating activities</b>	29	46,345	244,937
<b>Returns on investments and servicing of finance</b>	30	(1,016)	(1,287)
<b>Capital expenditure and financial investment</b>	30	(32,207)	(119,133)
		<hr/>	<hr/>
<b>Increase in cash in the period</b>		<u>13,122</u>	<u>124,517</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	31		
Increase in cash in the period		<u>13,122</u>	<u>124,517</u>
Change in net debt resulting from cash flows		<u>13,122</u>	<u>124,517</u>
<b>Movement in net debt in the period</b>		13,122	124,517
<b>Net debt at 1 September</b>		<u>329,766</u>	<u>205,249</u>
<b>Net debt at 31 August</b>		<u>342,888</u>	<u>329,766</u>

The notes form part of these financial statements

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**1. ACCOUNTING POLICIES**

**Basis of preparing the 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.

**Accounting convention**

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

**Going concern**

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

**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.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 AUGUST 2014**

**1. ACCOUNTING POLICIES - continued**

**Grants receivable for capital purchases**

Government and other grants relating to tangible fixed assets are included within the Statement of financial activities as and when received.

**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.

**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.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 AUGUST 2014**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- over 50 years
Improvements to property	- 10% on cost
Office equipment	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

No depreciation is charged on freehold land.

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.

**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.

**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.

**TWO MILE ASH SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 AUGUST 2014**

**1. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

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.

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.

**Operating leases**

Rentals under operating leases are charged on a straight line basis over the lease term.

**2. GENERAL ANNUAL GRANT**

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2014.

**3. VOLUNTARY INCOME**

	2014	2013
	£	£
Donations	<u>-</u>	<u>2,770</u>



**TWO MILE ASH SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**4. ACTIVITIES FOR GENERATING FUNDS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Catering income	<u>189,218</u>	<u>148,516</u>

**5. INVESTMENT INCOME**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Deposit account interest	<u>405</u>	<u>427</u>

**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Restricted</b>	<b>2014</b>	<b>2013</b>
	<b>funds</b>	<b>funds</b>	<b>Fixed Asset</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>funds</b>	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hire of facilities	5,216	-	-	5,216	8,160
School trips, kidz club and other clubs	112,398	208,079	-	320,477	250,780
Educational development income	-	471,329	-	471,329	440,389
Grants	<u>-</u>	<u>2,747,296</u>	<u>16,050</u>	<u>2,763,346</u>	<u>2,956,921</u>
	<u>117,614</u>	<u>3,426,704</u>	<u>16,050</u>	<u>3,560,368</u>	<u>3,656,250</u>

**TWO MILE ASH SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued**

An analysis of grants received is given below:

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Restricted</b>	<b>2014</b>	<b>2013</b>
	<b>funds</b>	<b>funds</b>	<b>Fixed Asset</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>funds</b>	<b>funds</b>	<b>funds</b>
			<b>£</b>	<b>£</b>	<b>£</b>
<b>DfE/EFA revenue grant</b>					
General Annual Grant(GAG)	-	2,328,065	-	2,328,065	2,336,568
Pupil premium	-	223,134	-	223,134	106,496
Local Authority grants	-	90,059	-	90,059	176,577
	-	2,641,258	-	2,641,258	2,619,641
<b>DfE/EFA capital grant</b>					
Capital funding	-	-	16,050	16,050	140,708
<b>Other government grant</b>					
Other grants	-	106,038	-	106,038	196,572
	-	2,747,296	16,050	2,763,346	2,956,921

**7. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

		<b>2014</b>	<b>2013</b>
	<b>Activity</b>	<b>£</b>	<b>£</b>
Initial teacher training partnership	Initial Teacher Training Partnership	<u>402,733</u>	<u>483,296</u>

Grants received, included in the above, are as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
General Annual Grant(GAG)	2,328,065	2,336,568
Pupil premium	223,134	106,496
Local Authority grants	90,059	176,577
Other grants	106,038	196,572
Capital funding	16,050	140,708
	<u>2,763,346</u>	<u>2,956,921</u>

**TWO MILE ASH SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**8. RESOURCES EXPENDED**

				<b>2014</b>	<b>2013</b>
	<b>Staff costs</b>	<b>Non-pay expenditure</b>		<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>Premises</b>	<b>Other costs</b>	<b>£</b>	<b>£</b>
		<b>£</b>	<b>£</b>		
<b>Costs of generating funds</b>					
Costs of generating voluntary income	155,274	-	140,604	295,878	270,478
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	2,097,503	162,097	340,300	2,599,900	2,808,404
Allocated support costs	<u>541,827</u>	<u>119,325</u>	<u>393,027</u>	<u>1,054,179</u>	<u>926,511</u>
	2,794,604	281,422	873,931	3,949,957	4,005,393
Governance costs including allocated support costs	<u>1,206</u>	<u>-</u>	<u>13,100</u>	<u>14,306</u>	<u>12,000</u>
	<u><u>2,795,810</u></u>	<u><u>281,422</u></u>	<u><u>887,031</u></u>	<u><u>3,964,263</u></u>	<u><u>4,017,393</u></u>

Net resources are stated after charging/(crediting):

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	10,000	9,000
Depreciation - owned assets	<u>150,645</u>	<u>141,379</u>

**9. COSTS OF GENERATING VOLUNTARY INCOME**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Staff costs	155,274	123,841
Catering expenses	107,050	129,185
School clubs and activities	<u>33,554</u>	<u>17,452</u>
	<u><u>295,878</u></u>	<u><u>270,478</u></u>

**TWO MILE ASH SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**10. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Direct costs - academy's educational operations</b>		
Teaching and educational support staff	2,097,503	2,180,772
Technology costs	5,427	31,170
Educational supplies	45,241	61,944
Staff development	32,248	25,744
Educational consultancy	4,376	43,641
School clubs and activities	212,375	209,537
Premises costs	153,259	218,669
Other costs	47,471	34,927
Other direct costs	<u>2,000</u>	<u>2,000</u>
	<b>2,599,900</b>	<b>2,808,404</b>
<b>Allocated support costs - academy's educational operations</b>		
Support staff costs	541,827	419,824
Depreciation	150,647	141,380
Technology and consultancy	8,624	11,178
School clubs and activities	314,839	264,805
Other costs	36,821	87,610
Interest payable and similar charges	<u>1,421</u>	<u>1,714</u>
	<u><b>1,054,179</b></u>	<u><b>926,511</b></u>
	<u><b>3,654,079</b></u>	<u><b>3,734,915</b></u>

**11. CHARITABLE ACTIVITIES COSTS**

	<b>Direct costs</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>
Initial Teacher Training Partnership	375,260	375,260
Academy's educational operations	<u>2,599,900</u>	<u>2,599,900</u>
	<u><b>2,975,160</b></u>	<u><b>2,975,160</b></u>

**12. SUPPORT COSTS**

	<b>Management</b>
	<b>£</b>
Academy's educational operations	<u><b>1,054,179</b></u>

Support costs, included in the above, are as follows:

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**FOR THE YEAR ENDED 31 AUGUST 2014**

**12. SUPPORT COSTS - continued**

	<b>2014</b>	2013
	<b>Academy's educational operations</b>	Total activities
	<b>£</b>	<b>£</b>
Wages	452,289	364,695
Social security	26,171	14,346
Pensions	63,367	40,783
Technology and consultancy	8,624	11,178
School clubs and activities	314,839	264,805
Other costs	36,821	87,610
Depreciation of tangible and heritage assets	150,647	141,380
Interest payable and similar charges	<u>1,421</u>	<u>1,714</u>
	<u><b>1,054,179</b></u>	<u><b>926,511</b></u>

**13. GOVERNANCE COSTS**

	<b>2014</b>	2013
	<b>£</b>	<b>£</b>
Trustees' expenses	1,206	-
Auditors' remuneration	10,000	9,000
Responsible officer	<u>3,100</u>	<u>3,000</u>
	<u><b>14,306</b></u>	<u><b>12,000</b></u>

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**14. GOVERNORS' REMUNERATION AND BENEFITS**

The Head Teacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff and not in respect to their services as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors.

The value of Governors' remuneration, including employer's pension contributions, during their time of office in the year was as follows:

	2014 £	2013 £
S Bennett (Head Teacher and Governor)	£150,000 - £154,999	£160,000 - £164,999
Kelly Cursley	£60,000 - £64,999	£55,000 - £59,999
Sue Lee-Deslie	£15,000 - £19,999	£15,000 - £19,999

The Head Teacher's pay takes into consideration outreach work and all other factors allowable under the academy remuneration and conditions regulations.

The above pay disclosures take into consideration any temporary uplift awarded. From 1 September 2012 the School was awarded a contract for £160,400 per year to support the educational development of two local schools. During this time the Head teacher and other members of staff have been awarded temporary uplifts in their remuneration to take into consideration their additional responsibilities. This contract finished as at 31 August 2014 and provided opportunities for the school to grow, develop and retain its SLT. During this period and after considering temporary pay awards the contract generated £65,000 per year towards the school funds and internal investment. Although the school continues to develop its SLT by considering deployment in other schools the level of activity has now reduced and is looking for other longer term opportunities.

**Governors' expenses**

	2014 £	2013 £
Trustees' expenses	<u>1,206</u>	<u>-</u>

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**15. STAFF COSTS**

	2014	2013
	£	£
Wages and salaries	2,287,758	2,259,816
Social security costs	155,798	155,467
Other pension costs	<u>351,048</u>	<u>309,154</u>
	<u><u>2,794,604</u></u>	<u><u>2,724,437</u></u>

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

	2014	2013
Teachers and classroom assistants	49	48
Administration and support	25	32
Management	<u>7</u>	<u>7</u>
	<u><u>81</u></u>	<u><u>87</u></u>

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

	2014	2013
£130,000 - £139,999	1	-
£140,000 - £149,999	<u>-</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

The above bandings state remuneration before employers pension contributions.

The academy paid pension contributions of £21,097 (2013: £19,778) in respect of this member of staff.

**16. 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 year ended 31 August 2014 was £1,660 (2013: £1,660).

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

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**17. TANGIBLE FIXED ASSETS**

	<b>Freehold property £</b>	<b>Improve- ments to property £</b>	<b>Office equipment £</b>
<b>COST</b>			
At 1 September 2013	5,155,518	115,469	22,528
Additions	-	7,462	3,350
At 31 August 2014	<u>5,155,518</u>	<u>122,931</u>	<u>25,878</u>
<b>DEPRECIATION</b>			
At 1 September 2013	171,883	14,179	10,438
Charge for year	<u>82,503</u>	<u>11,856</u>	<u>4,325</u>
At 31 August 2014	<u>254,386</u>	<u>26,035</u>	<u>14,763</u>
<b>NET BOOK VALUE</b>			
At 31 August 2014	<u>4,901,132</u>	<u>96,896</u>	<u>11,115</u>
At 31 August 2013	<u>4,983,635</u>	<u>101,290</u>	<u>12,090</u>
	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 September 2013	127,905	70,052	5,491,472
Additions	-	21,395	32,207
At 31 August 2014	<u>127,905</u>	<u>91,447</u>	<u>5,523,679</u>
<b>DEPRECIATION</b>			
At 1 September 2013	36,333	34,727	267,560
Charge for year	<u>25,980</u>	<u>25,981</u>	<u>150,645</u>
At 31 August 2014	<u>62,313</u>	<u>60,708</u>	<u>418,205</u>
<b>NET BOOK VALUE</b>			
At 31 August 2014	<u>65,592</u>	<u>30,739</u>	<u>5,105,474</u>
At 31 August 2013	<u>91,572</u>	<u>35,325</u>	<u>5,223,912</u>



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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Trade debtors	79,169	91,907
Other debtors	55,951	-
VAT	14,895	22,665
Prepayments and accrued income	<u>73,424</u>	<u>87,772</u>
	<u>223,439</u>	<u>202,344</u>

**19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Trade creditors	28,124	104,062
Other creditors	194,645	200
Accruals and deferred income	<u>144,738</u>	<u>185,665</u>
	<u>367,507</u>	<u>289,927</u>

**Deferred income**

	2014	2013
	£	£
Deferred income at 1 September 2013	113,003	20,105
Resources deferred in the year	-	113,003
Amounts released from previous years	<u>(113,003)</u>	<u>(20,105)</u>
	<u>-</u>	<u>113,003</u>

As at the balance sheet date the academy trust was holding funds received in advance for grant income relating to the following financial year.

Within Other Creditors a provision of £4,998 has been made in respect of double funding of the SEN block LACSEG paid to the Academy. A further provision of £118,318 has also been made regarding the GAG clawback of Exception Circumstances 6. A further provision of £69,248 has been made in relation to the Pupil Premium clawback.

**20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2014	2013
	£	£
Other creditors	<u>4,998</u>	<u>-</u>

A further provision of £4,998 has been made within Other Creditors, in respect of double funding of the SEN block LACSEG paid to the Academy.

**TWO MILE ASH SCHOOL  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 AUGUST 2014**

**21. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	<b>Other operating leases</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Expiring:		
Between one and five years	<u>16,084</u>	<u>16,084</u>

**22. MEMBERS' LIABILITY**

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

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

				<b>2014</b>	<b>2013</b>
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	-	-	5,105,474	5,105,474	5,223,912
Current assets	28,542	450,943	86,842	566,327	532,110
Current liabilities	-	(367,507)	-	(367,507)	(289,927)
Long term liabilities	-	(4,998)	-	(4,998)	-
Pension liability	-	(308,000)	-	(308,000)	(142,000)
	<u>28,542</u>	<u>(229,562)</u>	<u>5,192,316</u>	<u>4,991,296</u>	<u>5,324,095</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**24. MOVEMENT IN FUNDS**

	At 1.9.13 £	Net movement in funds £	Transfers between funds £	At 31.8.14 £
<b>Unrestricted funds</b>				
General fund	52,436	11,359	(35,253)	28,542
<b>Restricted funds</b>				
General Annual Grant (GAG)	114,393	(78,745)	(35,648)	-
Restricted pension fund	(142,000)	(166,000)	-	(308,000)
Initial Teacher Training	(26,875)	27,472	-	597
Milton Keynes Teaching School Alliance	70,129	7,712	-	77,841
	15,647	(209,561)	(35,648)	(229,562)
<b>Restricted Fixed Asset funds</b>	5,256,012	(134,597)	70,901	5,192,316
<b>TOTAL FUNDS</b>	<u>5,324,095</u>	<u>(332,799)</u>	<u>-</u>	<u>4,991,296</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	307,237	(295,878)	-	11,359
<b>Restricted funds</b>				
General Annual Grant (GAG)	2,328,066	(2,406,811)	-	(78,745)
Pupil premium	223,135	(223,135)	-	-
Educational visits	192,187	(192,187)	-	-
Other government grants	110,198	(110,198)	-	-
Other restricted funds	343,540	(343,540)	-	-
Initial Teacher Training	402,732	(375,260)	-	27,472
Milton Keynes Teaching School Alliance	229,579	(221,867)	-	7,712
Restricted pension fund	-	(20,000)	(146,000)	(166,000)
	3,829,437	(3,892,998)	(146,000)	(209,561)
<b>Restricted Fixed Asset funds</b>	16,050	(150,647)	-	(134,597)
<b>TOTAL FUNDS</b>	<u>4,152,724</u>	<u>(4,339,523)</u>	<u>(146,000)</u>	<u>(332,799)</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
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**24. MOVEMENT IN FUNDS - continued**

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS. An amount of £90,000 was transferred to the Academy in respect of the deficit on this pension scheme at the date of conversion to an Academy.

The restricted asset fund was funded predominantly by the funds inherited on conversion from Milton Keynes Council following the transfer of the land and buildings.

**25. PENSION AND SIMILAR OBLIGATIONS**

**Teachers' pension scheme**

**Local government pension scheme**

The amounts recognised in the balance sheet are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	(737,000)	(444,000)
Fair value of plan assets	<u>429,000</u>	<u>302,000</u>
	<u>(308,000)</u>	<u>(142,000)</u>
Deficit	<u>(308,000)</u>	<u>(142,000)</u>
Liability	<u>(308,000)</u>	<u>(142,000)</u>

The cumulative amount of actuarial losses recognised in the Statement of Total Recognised Gains and Losses was £195,000 (2013: £49,000).

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
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**25. PENSION AND SIMILAR OBLIGATIONS - continued**

The amounts recognised in the statement of financial activities are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Current service cost	148,000	106,000
Interest cost	25,000	13,000
Expected return	<u>(23,000)</u>	<u>(11,000)</u>
	<u>150,000</u>	<u>108,000</u>
Actual return on plan assets	<u>(43,000)</u>	<u>30,000</u>

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

	<b>Defined benefit pension plans</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Defined benefit obligation	(444,000)	(266,000)
Current service cost	(148,000)	(106,000)
Contributions by scheme participants	(40,000)	(30,000)
Interest cost	(25,000)	(13,000)
Actuarial losses/(gains)	<u>(80,000)</u>	<u>(29,000)</u>
	<u>(737,000)</u>	<u>(444,000)</u>

Changes in the fair value of scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Fair value of scheme assets	302,000	144,000
Contributions by employer	130,000	98,000
Contributions by scheme participants	40,000	30,000
Expected return	23,000	11,000
Actuarial gains/(losses)	<u>(66,000)</u>	<u>19,000</u>
	<u>429,000</u>	<u>302,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
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**25. PENSION AND SIMILAR OBLIGATIONS - continued**

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

	<b>Defined benefit pension plans</b>	
	<b>2014</b>	<b>2013</b>
Gilts	13%	4%
UK equities	12%	71%
Gilts	36%	0%
Private equity	8%	0%
Other bonds	13%	8%
Property	8%	7%
Cash	2%	2%
Alternative assets	0%	8%
Hedge funds	%	0%
Absolute return portfolio	4%	0%

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	<b>Expected return at 31 August 2014</b>	<b>Expected return at 31 August 2013</b>	<b>Expected return at 31 August 2012</b>
	<b>% p.a.</b>	<b>% p.a.</b>	<b>% p.a.</b>
Gilts	3.0	3.5	2.8
UK equities	6.7	6.5	5.8
Overseas equities	6.7	n/a	n/a
Private equity	6.7	n/a	n/a
Other bonds	3.6	4.4	3.9
Property	5.9	6.0	5.3
Cash	2.9	0.5	0.5
Alternative assets	6.7	6.5	5.8
Hedge funds	6.7	n/a	n/a
Absolute return portfolio	6.7	n/a	n/a
<b>Total</b>	<b>5.7%</b>	<b>6.1%</b>	<b>5.3%</b>

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period.

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

	<b>2014</b>	<b>2013</b>
Discount rate for scheme liabilities	4%	4.7%
Rate of increase in salaries	4.5%	5.1%
Rate of increase for pensions in payment	2.7%	2.9%
Inflation assumptions (CPI)	2.7%	2.9%
RPI increases	3.5%	3.7%

The assumed life expectancy on retirement age 65 are:

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Retiring today:			
Males	23.6	20.1	20.0
Females	26.0	24.1	24.0

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
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**25. PENSION AND SIMILAR OBLIGATIONS - continued**

Retiring in 20 years:

Males	25.8	22.1	<b>22.0</b>
Females	28.3	26.0	<b>25.9</b>

Amounts for the current and previous two periods are as follows:

	<b>2014</b>	<b>2013</b>	<b>2012</b>
		as restated	
	£	£	£
<b>Defined benefit pension plans</b>			
Defined benefit obligation	(737,000)	(444,000)	(266,000)
Fair value of scheme assets	429,000	302,000	144,000
Deficit	(308,000)	(142,000)	(122,000)
Experience adjustments on scheme liabilities	(2,000)	-	-
Experience adjustments on scheme assets	(66,000)	19,000	3,000

**26. RELATED PARTY DISCLOSURES**

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

During the year the academy paid £9,540 (2013: £85,570) to HGH Limited. HGH Limited is controlled by the husband of S Bennett (headteacher).

£1,038 was paid by the academy to Milton Keynes Occupational Health (MKOH) a company owned by J Blackhurst (governor). This is the same charge that is expensed to other academies for the same service.

There were no amounts outstanding in respect of either party at either balance sheet date.

The trust made the purchases at arms' length following a competitive tendering exercise in accordance with its financial regulations, which both S Bennett and J Blackhurst neither participated in, nor influenced.

Pecuniary interest is declared at all times by the governors and senior leadership team. A rigorous process of value for money is obtained and records maintained and reviewed by the academy's governors.

**27. ULTIMATE CONTROLLING PARTY**

There is no controlling party for the period.

**28. COMPANY LIMITED BY GUARANTEE**

The Academy is a company limited by guarantee and does not have share capital.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

**29. RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Net outgoing resources	(186,799)	(76,178)
Depreciation charges	150,647	141,380
Interest received	(405)	(427)
Interest paid	1,421	1,714
Increase in debtors	(21,095)	(17,536)
Increase in creditors	82,578	209,984
Difference between pension charge and cash contributions	<u>19,998</u>	<u>(14,000)</u>
<b>Net cash inflow from operating activities</b>	<u><u>46,345</u></u>	<u><u>244,937</u></u>

**30. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	405	427
Interest paid	<u>(1,421)</u>	<u>(1,714)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u><u>(1,016)</u></u>	<u><u>(1,287)</u></u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<u>(32,207)</u>	<u>(119,133)</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<u><u>(32,207)</u></u>	<u><u>(119,133)</u></u>

**31. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.9.13 £	Cash flow £	At 31.8.14 £
Net cash:			
Cash at bank and in hand	329,766	13,122	342,888
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<u><u>329,766</u></u>	<u><u>13,122</u></u>	<u><u>342,888</u></u>