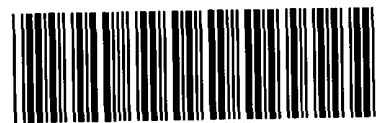


Registered number: 08060721

THE MILL ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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THE MILL ACADEMY
(A company limited by guarantee)

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THE MILL ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

D Jones (appointed 12 October 2015)
R Ireland (appointed 21 September 2015)
W Stephenson (appointed 1 October 2015)
The Oxford Diocesan Board of Education (appointed 21 September 2015)

Directors

R Ireland, Chair (appointed 21 September 2015) (resigned as Chair 6 October 2016)
M Swann, Vice Chair (appointed 21 September 2015)
W Hemmingsley, Chief Executive Officer, Headteacher of the Henry Box School and Accounting Officer
H Bartlett, Headteacher of Queen Emma's Primary School (appointed 21 September 2015)
C Chadwick (appointed 21 September 2015)
G Armstrong (appointed 21 September 2015)
L Miles (appointed 21 September 2015)
J Wymer, Chair (appointed 21 September 2015) (appointed as Chair 6 October 2016)
P Budhan (appointed 9 May 2016)
S Clarke (resigned 21 September 2015)
M Franklin (resigned 21 September 2015)
C Hardie, Staff Trustee (resigned 21 September 2015)
A Holmes (resigned 21 September 2015)
S Hunt, Staff Trustee (resigned 21 September 2015)
N Kaye (resigned 21 September 2015)
J Kerkhecker (resigned 21 September 2015)
Z Lanczak, Staff Trustee (resigned 21 September 2015)
H Marshall (resigned 21 September 2015)
P Maycock (resigned 21 September 2015)
R Mellis (resigned 21 September 2015)
M Perry (resigned 21 September 2015)
J Phipps (resigned 21 September 2015)
B Staynings (resigned 21 September 2015)

Company registered number

08060721

Company name

The Mill Academy

Principal and registered office

Church Green, Witney, Oxfordshire, OX28 4AX

Company Secretary

T Hodges

Chief Executive Officer

W Hemmingsley

Strategic leadership team

W Hemmingsley, Chief Executive Officer, Headteacher of The Henry Box School and Accounting Officer
H Bartlett, Headteacher of Queen Emma's Primary School
S Dawe, Headteacher of Finstock C.E. Primary School
N Stretton, Chief Finance Officer

THE MILL ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Independent auditor

James Cowper Kreston, 2 Chawley Park, Cumnor Hill, Oxford, Oxfordshire, OX2 9GG

Bankers

Lloyds Bank Plc, 2 Market Square, Witney, Oxfordshire, OX28 5RD

Solicitors

Rickerbys LLP Solicitors, Ellenborough House, Wellington Street, Cheltenham, Gloucestershire, GL50 1YD

THE MILL ACADEMY
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Directors present their annual report together with the audited financial statements of The Mill Academy Trust ('the Academy' or 'the charitable company') for the period 31 August 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy, which was incorporated on 8 May 2012 and opened as an Academy on 1 June 2012, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Directors act as the Trustees for the charitable activities of the Academy and are the Directors of the charitable company for the purposes of company law.

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

The Academy operates two primary schools and one secondary school in West Oxfordshire. Its academies have a combined pupil capacity of 1,889 and had a roll of 1,554 in the school census on October 2016.

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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a member.

Directors' Indemnities

The Directors benefit from indemnity insurance purchased by the Academy to cover the liability of the Directors arising from negligent acts, errors or commissions occurring whilst on Academy business. The limit of this indemnity is £5,000,000.

Principal Activities

The principal activity of the Academy is to advance for the public benefit, ensuring each of its academies are at the heart of its community, promoting community cohesion and sharing facilities with other schools and/or other educational institutions and the wider community.

Method of Recruitment and Appointment or Election of Directors

On the formation of The Mill Academy, from the former single academy trust known as The Henry Box School, new Directors were appointed. The Academy shall have the following Directors as set out in its Articles of Association and Funding Agreement:

- up to 9 Directors who are appointed by the Members;
- up to 3 Directors who are appointed by the Diocesan Board of Education; and
- the Chief Executive who is treated for all purposes as being an ex-officio Director.

Directors are appointed for a four year period, except that this time limit does not apply to the Chief Executive as an ex-officio Director. Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.

When appointing new Directors, the Members, Directors and the Diocesan Board of Education will give consideration to the skills and experience mix of existing Directors in order to ensure the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Directors

The training and induction provided for new Directors will depend upon their existing experience but would always include visiting the academies and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Directors. As new Directors are infrequent, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

There are Directors training days organised each year which includes training sessions to keep the Directors updated on

THE MILL ACADEMY
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

relevant developments impacting on their roles and responsibilities. The Academy subscribes to the National Governor Association and The Key giving directors access to a range of resources, articles and training.

Organisational Structure

The Board of Directors normally meets between four and six times a year. The Directors establish an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees of the Governing Body and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Governing Body may from time to time establish working groups to perform specific tasks over a limited timescale.

There are six Committees of the Board of Directors as follows:

- Finance and Resources Committee
- Audit Committee
- Operational Board
- The Henry Box Local Governing Board
- Queen Emma's Primary Local Governing Board
- Finstock Church of England Primary Local Governing Board

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board:

- to consider any proposals for changes to the name, status, educational character, mission, ethos or constitution of the Academy and its committee structure;
- to approve the annual estimates of income and expenditure (budgets) and major projects and to sign off the annual statement of accounts;
- to appoint and consider the performance management of the Chief Executive;
- to appoint the Chief Finance Officer;
- to appoint the Clerk to the Directors and Company Secretary.

The Directors are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy by the use of budgets and other data, and making the major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Directors have devolved the day-to-day management of the Academy to the Chief Executive and the Operational Board. The Operational Board comprises the Chief Executive, Director of Finance, Headteacher of Queen Emma's Primary School and Headteacher Finstock Primary School. The Chief Executive supported by the Operational Board implements the policies laid down by the Directors and reports back to them on performance.

Risk Management

The Directors have set out a Risk Management Policy and implemented a system to assess risks that the Academy faces; especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

Arrangements for setting pay and remuneration of key management personnel

The Academy has laid out in its annual Pay Policy for Teachers, the system for setting pay and remuneration for all teaching staff, including the Chief Executive, the Headteachers of the Academy's schools, and all senior leaders who are teachers. The Pay Policy is consistent with the School Teacher's Pay and Conditions Document (STPCD) and is based on the model agreed between Oxfordshire County Council and the teaching Unions.

Pay and remuneration for all Academy support staff is in accordance with the terms and conditions set out in the National Joint Council (NJC) "Green Book". The Chief Finance Officer is a member of the Operational Board and is remunerated in accordance with the "Green Book".

Connected Organisations, including Related Party Relationships

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

THE MILL ACADEMY
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

There are no sponsors associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of the Academy, as set out in its Articles of Association, are:

- a. to advance for the public benefit 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 schools which shall offer a broad and balanced curriculum; and which shall include:
 - i. Schools other than those designated Church of England, whether with or without a designated religious character; and
 - ii. Church of England schoolsbut in relation to each of the schools to recognise and support their individual ethos, whether or not designated Church of England.
- b. In relation to the non-Church of England schools to promote for the benefit of the inhabitants of Witney and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The broad aims of the Academy during the year ended 31 August 2016 are summarised below:

- To improve outcomes for young people by enabling the sharing of effective practice and increasing school improvement activities.
- To ensure that every student realises their potential in terms of high quality qualifications.
- To reveal and build character in our students to leave every one of them proud of their schooling and rich in memories.
- To ensure that every students leaving school is strong in literacy and numeracy, and has valuable life skills, as well as high personal standards and self-esteem.
- To ignite in our students a love of learning which will serve them well throughout their lives.

Objectives, Strategies and Activities

The key priorities for the year are contained in the Academy's Development Plan which is available from the Chief Executive.

The main activities of the Academy for the year ended 31 August 2016 were as follows:

Priority 1: Improve the quality of leadership and management:

Embed the roles of all leaders, including directors, to sustain improvement and evaluate the academy's progress. Ensure that all strategic leaders take effective action to continue to improve the quality of teaching and close the gap.

Actions

- Success criteria are SMART
- Ensure evaluations are based on the impact of actions to improve the quality of teaching and achievement
- Ensure teachers consistently concentrate on the progress made by disadvantaged pupils in their class as a first priority
- Ensure all teachers are aware of any additional support students are receiving and how they build upon that support during their lessons
- Ensure all Foundation subjects are taught with ARE pitch and expectations (Primary)
- Ensure the assessment tracking system is consistent for each 'stage'
- Implement moderation across the MAT to ensure parity, consistency and accuracy
- Implement a common approach to supporting pupils with SEND across all schools

Priority 2: Outcomes for pupils:

Throughout each year group and across the curriculum, including in English and mathematics, pupils make substantial and sustained progress, developing excellent knowledge, understanding and skills, considering their different starting points.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Actions:

- Ensure the attainment of almost all groups of pupils is broadly in line with national averages or, if below these, it is improving rapidly
- Ensure work builds effectively on pupils' prior learning without undue repetition when they change schools
- Ensure teachers check pupils understanding systematically and effectively in lessons, offering clearly directed and timely support
- Ensure teachers provide pupils with incisive feedback about what pupils can do to improve their knowledge, understanding and skills
- Ensure parents, carers and other adults who support pupils' home learning understand how to do this effectively

Priority 3: Learning, teaching and assessment: English

Teachers embed reading, writing and communication exceptionally well across the curriculum, equipping all pupils with the necessary skills to make progress. For younger children, in particular, phonics teaching is highly effective in enabling them to tackle unfamiliar words.

Improve reading provision to ensure that all pupils make accelerated progress in the primary schools and close the gap

Improve opportunities for writing to ensure that all pupils are able to write at length and demonstrate content and imagination in their writing.

Public Benefit

The Directors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

ACHIEVEMENTS and PERFORMANCE

The Academy is in its fourth year of operation since conversion on 1 June 2012, but the first year as a multi-academy trust.

The total number of pupils in the year ended 31 August 2016 was 1,561, but this has decreased to 1,554 at the October 2016 census date. The number of pupils in primary schools is increasing but for a short period the numbers transitioning to secondary school are smaller than the year groups leaving, however a rise in secondary pupils numbers is expected in the year 2018/19.

The Academy is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

The particular achievements and performance of the Academy during the period ended 31 August 2016 were as follows:

GCSE Results

	The Henry Box School	National
Number of Candidates	212	
EBacc	22%	24%
5A*-C (EM)	65%	62%
Average Attainment 8 Score	49.8	49.3
Progress 8 Measure	-0.1	0

GCE Results

	*A-B Grades	*A-C Grades	*A-E Grades
2016	56%	83%	99%
2015	47%	68%	97%
2014	53%	78%	99%
2013	52%	79%	99%
2012	52%	78%	99%

THE MILL ACADEMY
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Key Stage 1

	National	Queen Emma's Primary	Finstock CofE Primary
Reading	74%	69%	77%
Writing	65%	41%	54%
Maths	73%	66%	69%

Key Stage 2

	National	Queen Emma's Primary	Finstock CofE Primary
Reading	66%	45%	57%
Writing	74%	30%	43%
Maths	70%	39%	57%
EGPS	72%	52%	57%

The Henry Box School was subject to an Ofsted Inspection in June 2013 and received an overall rating of Good, as well as individual judgement of Good in the categories of:

- Achievement of students;
- Quality of Teaching;
- Behaviour and Safety of Students; and
- Leadership and Management.

Further details can be found on the School's website at www.henrybox.oxon.sch.uk.

Finstock Church of England Primary School was subject to an Ofsted Inspection in September 2013 and received an overall rating of Good, as well as individual judgement of Good in the categories of:

- Achievement of students;
- Quality of Teaching;
- Behaviour and Safety of Students; and
- Leadership and Management.

Further details can be found on the School's website at www.finstockschool.wordpress.com.

Queen Emma's Primary School was subject to an Ofsted Inspection in January 2015 and received an overall rating of Requires Improvement, as well as individual judgement of Good in the categories of:

- Leadership and Management;
- Behaviour and Safety of Students; and
- Early Years Provision.

Individual judgements of Requires Improvement were received in the categories of:

- Achievement of students;
- Quality of Teaching.

Further details can be found on the School's website at www.queen-emmas.oxon.sch.uk.

Going Concern

After making appropriate enquiries, the Board of Directors, including all Committees, 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 note of the financial statements.

Strategic report

The Academy has continued to work on the priorities set out by the Board of Directors and contained in the Objectives section above. Notable achievements this year was the improvement in Key Stage 5 results and value added, achievement of Young Carers Gold Award, GCSE Maths 82% A*-C, GCSE Sciences 87% A*-C. Environmental factors to consider are the current political and financial instability cause by the EU Referendum vote and the impending exit from the EU; the future growth plans of The Mill need to be carefully considered to avoid destabilising the school development/improvement plans in place for the existing schools.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The School faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section.

The School uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the school to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow and credit risk. The school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The school seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

Key Performance Indicators

Under the Companies Act, the Academy must include an analysis against key financial performance indicators and, where appropriate, an analysis using other key performance indicators including information relating to environmental and employee matters. For example this could include, but may not be limited to, Ofsted inspection outcomes, examination / key stage results, pupil attendance data and pupil recruitment data, in addition to financial and investment performance. It could be presented as both achievements against objectives for the current accounting period, and as trends over time.

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2016, the balance of the GAG Restricted Fund was £79,501, which is after a transfer of £93,161 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 1,554 which is an decrease of 0.5% from the previous census.

As a result, the ratio of GAG funding per pupil was £4,315 for the period.

Staffing costs are another key performance indicator for the Academy and the percentage of total staff costs to GAG funding for the period was 87.3%, while the percentage of staff costs to total costs was 82.6%.

FINANCIAL REVIEW

The majority of the Academy's income is received from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2016, the total expenditure of £8,545,192 was covered by the recurrent grant funding from the DfE, together with other incoming resources (excluding the net assets transferred on conversion from the Local Authority). The excess of incoming resources over total expenditure for the year was £3,061,022.

Land, buildings, other assets and the Local Government Pension Scheme deficit relating to Finstock C.E. Primary School and Queen Emma's Primary School were transferred to the Academy from the Local Authority and Oxford Diocese on conversion. The details of the net assets transferred and the basis of their valuations are set out in Notes 2 and 11 to the financial statements. The net book value of fixed assets at 31 August 2016 were £22,940,045, which includes the original value of land and buildings transferred on conversion of £18,171,136 plus the amounts relating to Finstock C.E. Primary School and Queen Emma's Primary School of £3,792,738. Depreciation charges for the year totalled £534,105.

The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The balance of total funds held at 31 August 2016 was £19,706,662 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£97,563
Restricted Pension Liability Fund	(£4,254,000)
Restricted Fixed Asset Fund	£22,984,625
Unrestricted Funds	£878,474

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy's financial management, including financial responsibilities of the Board of Directors, the Chief Executive, Chief Finance Officer, Headteachers of individual schools, senior leaders/managers, budget holders and other staff, as well as the delegated authorities for spending. The other policies reviewed and adopted during the period included Risk Management, Data Protection, Publication Scheme, Directors Expenses, Staff Handbook.

Financial and Risk Management Objectives and Policies

The Academy has agreed a Risk Management Policy, a Risk Register and a Risk Management Plan. These have been discussed by the Directors and include the financial risks to the Academy. In addition each school in the Academy is asked to keep a risk register. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Directors have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Directors have ensured the Academy has adequate insurance cover.

The risks to the Academy's revenue funding from a falling rolls are small. However, the current freeze on the Governments overall education budget and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Directors examine the financial health of the Academy formally in its committees, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Directors and Finance and Resources Committee meetings.

At the balance sheet date, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy's liquidity.

The Directors recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Directors consider the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy are as follows:

Financial

The Academy has considerable reliance on continued Government funding through the EFA. In the period, approximately 94.6% of the Academy's incoming resources (excluding amounts transferred on conversion from the Local Authority) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Directors continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Directors ensure that pupil success and achievement are closely monitored and reviewed.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Safeguarding and child protection

The Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Academy is reliant on the quality of its staff so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy has engaged its external auditors to perform a program of the work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

Reserves Policy

The Directors review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Directors have determined that the appropriate level of free cash reserves should provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The individual schools are asked to keep reserve levels at least above the figure needed to meet its monthly payroll liability and as an Academy as a whole should not be below 5% of total incoming resources. The Academy believes its current insurance arrangements provide sufficient cover to provide immediate responses to emergency situations such as fire, explosion, flood and storm damage; but the Academy will need to review its reserves levels when or if its insurance arrangements are changed in the future, such as becoming part of the Department for Education Risk Protection Arrangement.

The Academy's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £19,706,662, of which £878,474 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

The current level of reserves is above our target level of free cash reserves.

Investment Policy

All funds are held on deposit with Lloyds Bank. All funds surplus to immediate requirements are invested to optimal effect by the Academy with the objective of ensuring maximum return on assets invested but with minimal risk.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

PLANS FOR FUTURE PERIODS

The Academy strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy's plans for future periods are:

- Ensure that all teaching across the Academy is outstanding;
- Ensure that the progress of disadvantaged students and those with SEN is at least in line with that of the non-disadvantaged nationally;
- Ensure that the curriculum is designed and developed to meet the needs of all students;
- Developing a learning culture;
- Increase levels of literacy to increase rates of progress;
- Increasing parental engagement to increase rates of progress and attendance;
- To grow the number of schools in the Academy to harness the benefits of collaborative working and to share good teaching practice and financial economies of scale.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

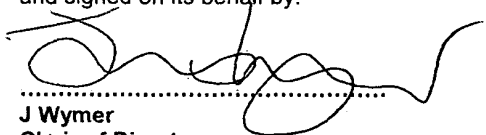
The Academy and its Directors do not act as Custodian Trustees of any other charity.

AUDITOR

In so far as the Directors are aware:

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

The Directors report, incorporating a strategic report, has been approved by order of the Board of Directors on 5th December 2016 and signed on its behalf by:


.....
J Wymer
Chair of Directors

THE MILL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Directors' Report and in the Directors' Responsibilities Statement. The Board of Directors has formally met 5 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

	Meetings attended	Out of a possible
R Ireland, Chair	5	5
M Swann, Vice Chair	4	5
W Hemmingsley, Headteacher of The Henry Box School	5	5
H Bartlett, Headteacher of Queen Emma's Primary School	4	5
C Chadwick	4	5
G Armstrong	4	5
L Miles	5	5
J Wymer	4	5
P Budhan	0	1

The Finance and Resources Committee is a sub-committee of the Board of Directors. Its purpose is to provide guidance and assistance to the Board of Directors on all matters related to finance, resources, premises and Health & Safety of the Academy. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the EFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
P Budhan	1	1
S Dawe	3	3
P Dempsey	3	3
W Hemmingsley	3	3
M Swann	2	3
J Wymer	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the CEO has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- the avoidance of waste and extravagance;
- the prudent and economical administration of the organisation;

THE MILL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- the establishment and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting; and
- ensuring all financial transactions represent value for money.

Our guiding principles for ensuring best value for money can be summarised as:

- Rigorous procedures for establishing, reviewing and evaluating school budget, including comparisons against national good practice and benchmarking.
- A rigorous purchasing policy, ensuring value for money comparisons for purchased items.
- Rigorous evaluations of impact on student outcomes including examination results, value added progress, student attendance and transition.
- Sharing of good practice amongst collaborative schools.

The Academy's use of its resources has provided good value for money during the academic year because Directors and the School Leadership Team (SLT) apply the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the school;
- The targeting of resources to best improve standards and the quality of provision;
- The use of resources to best support the various educational needs of all students.

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time and or costs. Time wasted on minor improvements or savings can also distract leaders from more important or valuable areas. Therefore Directors and SLT:

- Do not waste time and resources on investigating minor areas where few improvements can be achieved;
- Do not waste time and resources to make minor savings in cost;
- Do not waste time and resources seeking tenders for minor supplies and services.

Directors, local governors and leaders do:

- Make comparisons with other/similar schools using data provided by central government and other appropriate bodies, e.g. quality of teaching and learning, levels of expenditure.
- Challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual student achievement targets.
- Require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup.
- Consult individuals and organisations of quality/suitability of service we provide to parents and students, and services we receive from providers, e.g. the online parents' evening booking system and website

This will apply in particular to:

Staffing

Directors, local governors and leaders deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-student ratio and curriculum management.

Teaching

Directors, local governors and leaders review the quality of curriculum provision and quality of teaching, to provide students with a curriculum which meets their needs in order to best prepare them for the next stage of their learning journey

Learning

Directors, local governors and leaders review the quality of student learning in order to provide teaching which enables students to achieve above nationally expected progress e.g. setting of annual student achievement targets; investment in professional development and systems which allow teachers to focus on learning.

Use of Premises

Directors, local governors and leaders consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources, e.g. the Learning Resource Centre.

Use of Resources

Directors, local governors and leaders deploy equipment, materials and services to provide students and staff with resources which support quality of teaching and quality of learning. The Academy benefits from employing its own Finance Manager and finance team.

Purchasing

The Directors, school leadership teams and school governing bodies have procedures in place for assessing need and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost. These include:

- A competitive tendering procedure for goods and services above £25,000,
- Three written quotes for goods and services between £6,000 and £25,000,

THE MILL ACADEMY
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GOVERNANCE STATEMENT (continued)

- Tender exercises are undertaken to ensure that high value contracts are assessed against the marketplace to ensure that long term contracts (3 to 5 years) remain competitive,
- Procedures for accepting "best value" quotes which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship),
- Procedures to minimise office time by the purchase of goods or services under £1,000 direct from reliable suppliers (e.g. stationery, small equipment),
- An annual budget prepared in line with the needs identified within the School Improvement Plan,
- Regular monitoring and review of all aspects of finance through the Finance and Resources Committee, with detailed financial statements discussed.

Income Generation and Surplus Balances

The Directors, school leadership teams and school governing bodies explore every opportunity to generate income through various means such as Initial Teacher Training providers and the hiring of Academy facilities.

Student Welfare

The Directors, school leadership teams and school governing bodies review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and achievement.

Health and Safety

The Directors, school leadership teams and school governing bodies review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for students, staff and visitors.

Monitoring of Best Value

Monitoring of these areas for best value took place:

- In-house by the Strategic Leadership Team and by other leaders in schools e.g. through quality assurance procedures
- By target setting meetings between members of the Strategic Leadership Team and subject and year leaders at the secondary school,
- In Annual Review meetings,
- In the Annual Budget Planning process and the preparation of the Annual Accounts,
- In the School Improvement Plan,
- Through the analysis of in-house student performance data including exam results, full details of exam results being available on the Academy website
- Through the analysis of RAISEonline student performance data,
- Through the analysis of financial data,
- In external reviews
- In classroom observations,
- In local Governing Board and committee meetings,
- In stakeholder surveys

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Mill Academy for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

THE MILL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

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

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed James Cowper Kreston, the external auditor, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems and on a semi-annual basis, the reviewer reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

James Cowper Kreston has delivered their schedule of work and only minor issues have been raised. These have been addressed by the Directors and Leadership Team on a timely basis. No significant weaknesses or discrepancies have been highlighted.

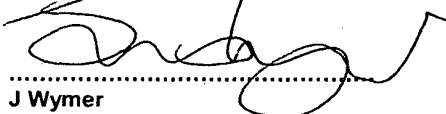
REVIEW OF EFFECTIVENESS

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

- the work of the external auditor;
- the 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on ^{5th December} 2016 and signed on their behalf by:


.....
J Wymer
Chair of Directors


.....
W Hemmingsley
Accounting Officer


THE MILL ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Mill Academy I have considered my responsibility to notify the academy trust board of directors 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of directors 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 2015.

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



.....
W Hemmingsley
Accounting Officer

THE MILL ACADEMY
(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

The Directors (who act as Trustees of The Mill Academy charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency.

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

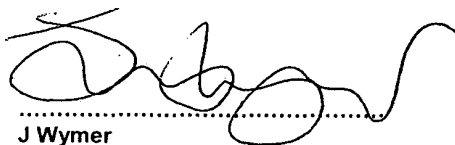
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Directors on 5th December and signed on its behalf by:
2016



J Wymer
Chair of Directors

THE MILL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MILL ACADEMY**

We have audited the financial statements of The Mill Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

UNQUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE MILL ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
MILL ACADEMY**

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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

M N Farwell

Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date:

22/12/2016

THE MILL ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MILL
ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Mill Academy during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Mill Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Mill Academy 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 The Mill Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE MILL ACADEMY'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The Mill Academy's funding agreement with the Secretary of State for Education dated 1 June 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the directors to assess the internal controls throughout the year.

Specific work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Directors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

THE MILL ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MILL
ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Michael Farwell

Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date: 22/12/2016

THE MILL ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	179,281	(490,066)	3,792,738	3,481,953	1,170
Charitable activities	5	280,706	7,699,502	50,828	8,031,036	6,878,998
Other trading activities	3	85,921	-	-	85,921	58,964
Investments	4	7,304	-	-	7,304	1,370
TOTAL INCOME		553,212	7,209,436	3,843,566	11,606,214	6,940,502
EXPENDITURE ON:						
Raising funds		350	-	-	350	2,190
Charitable activities		193,754	7,816,982	534,106	8,544,842	7,071,657
TOTAL EXPENDITURE	7	194,104	7,816,982	534,106	8,545,192	7,073,847
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	14	359,108 (227,576)	(607,546) (93,161)	3,309,460 320,737	3,061,022 -	(133,345) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		131,532	(700,707)	3,630,197	3,061,022	(133,345)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(1,722,000)	-	(1,722,000)	40,000
NET MOVEMENT IN FUNDS		131,532	(2,422,707)	3,630,197	1,339,022	(93,345)
RECONCILIATION OF FUNDS:						
Total funds brought forward		746,942	(1,733,730)	19,354,428	18,367,640	18,460,985
TOTAL FUNDS CARRIED FORWARD		878,474	(4,156,437)	22,984,625	19,706,662	18,367,640

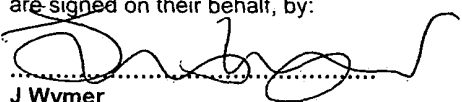
The comparative figures presented above for 2015 include the results of The Henry Box School only.

THE MILL ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08060721

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	2015 £
FIXED ASSETS				
Tangible assets	11		22,940,045	19,120,632
CURRENT ASSETS				
Debtors	12	367,680		210,604
Cash at bank and in hand		1,179,775		1,591,998
		<u>1,547,455</u>		<u>1,802,602</u>
CREDITORS: amounts falling due within one year	13	(526,838)		(721,594)
NET CURRENT ASSETS			<u>1,020,617</u>	<u>1,081,008</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,960,662</u>	<u>20,201,640</u>
Defined benefit pension scheme liability	19	(4,254,000)		(1,834,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>19,706,662</u></u>	<u><u>18,367,640</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	14	97,563		100,270
Restricted fixed asset funds	14	<u>22,984,625</u>		<u>19,354,428</u>
Restricted income funds excluding pension liability		<u>23,082,188</u>		<u>19,454,698</u>
Pension reserve		<u>(4,254,000)</u>		<u>(1,834,000)</u>
Total restricted income funds			<u>18,828,188</u>	<u>17,620,698</u>
Unrestricted income funds	14		<u>878,474</u>	<u>746,942</u>
TOTAL FUNDS			<u><u>19,706,662</u></u>	<u><u>18,367,640</u></u>

The financial statements were approved by the Directors, and authorised for issue, on 5th December 2016 and are signed on their behalf, by:


J Wymer
Chair of Directors

The notes on pages 25 to 45 form part of these financial statements.

THE MILL ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	16	<u>(23,493)</u>	<u>680,255</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		7,304	1,370
Purchase of tangible fixed assets		<u>(396,034)</u>	<u>(485,247)</u>
Net cash used in investing activities		<u>(388,730)</u>	<u>(483,877)</u>
Change in cash and cash equivalents in the year		(412,223)	196,378
Cash and cash equivalents brought forward		<u>1,591,998</u>	<u>1,395,620</u>
Cash and cash equivalents carried forward	17	<u><u>1,179,775</u></u>	<u><u>1,591,998</u></u>

THE MILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Company status

The Academy is a company limited by guarantee. The members of the company are as set out on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

1.3 Fund accounting

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

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 with restrictions imposed by the funder and include grants from the Department for Education.

1.4 Income

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

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations 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 investment income is recognised at the time the investment income is receivable.

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.

THE MILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	2.5% Straight line
Motor vehicles	-	12.5% Straight line
Fixtures & fittings	-	25% Straight line
Computer equipment	-	33% Straight line

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.9 Taxation

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

1.10 Interest receivable

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

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

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

1.14 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses

1.15 Financial instruments

The Academy only has basic financial instruments as defined under Section 11 of FRS 102. Basic financial instruments are recognised initially at transaction value and subsequently at settlement value.

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations and other voluntary income	14,535	19,934	-	34,469	1,170
Transfer from Local Authority on conversion of primaries - current assets	164,746	-	-	164,746	-
Transfer from Local Authority and Oxford Diocese on conversion of primaries - fixed assets	-	-	3,792,738	3,792,738	-
Transfer in of pension liability relating to primaries	-	(510,000)	-	(510,000)	-
Total donations and capital grants	179,281	(490,066)	3,792,738	3,481,953	1,170

In 2015, of the total income from donations and capital grants, £ 170 was to unrestricted funds and £1,000 was to restricted funds

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings income	38,968	-	38,968	33,605
Other income	46,953	-	46,953	25,359
	85,921	-	85,921	58,964

In 2015, of the total income from other trading activities, £58,964 was to unrestricted funds and £ NIL was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest income	7,304	-	7,304	1,370

In 2015, of the total investment income, £1,370 was to unrestricted funds and £ NIL was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Educational operations (see below)	-	7,628,124	7,628,124	6,562,822
Local Authority	-	122,206	122,206	64,546
Other income from educational activities	280,706	-	280,706	251,630
	<u>280,706</u>	<u>7,750,330</u>	<u>8,031,036</u>	<u>6,878,998</u>

In 2015, of the total income from charitable activities, £251,630 was to unrestricted funds and £6,627,368 was to restricted funds.

FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	7,543,507	7,543,507	6,051,471
Capital grants	-	50,828	50,828	511,351
Other DfE/EFA grants	-	33,789	33,789	-
	<u>-</u>	<u>7,628,124</u>	<u>7,628,124</u>	<u>6,562,822</u>

In 2015, of the total income from educational operations, £ NIL was unrestricted and £6,562,822 was restricted.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. CHARITABLE ACTIVITIES

	Total funds 2016 £	<i>Total funds 2015 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	4,461,220	3,948,558
National insurance	340,309	287,693
Pension cost	656,595	595,418
Net FRS 102 pension scheme finance cost	86,000	23,516
Technology	43,068	34,607
Educational supplies	123,033	78,071
Examination fees	112,327	121,288
Staff development	28,978	17,606
Educational consultancy	25,129	24,510
Other direct costs	277,432	266,843
	<hr/> 6,154,091	<hr/> 5,398,110
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	480,078	372,992
National insurance	42,262	18,224
Pension cost	174,579	116,356
Depreciation	534,106	429,296
Net FRS 102 pension scheme finance cost	-	18,484
Technology costs	82,599	64,394
Recruitment and support	20,196	4,901
Maintenance of premises	135,065	69,203
Maintenance of equipment	32,324	24,367
Cleaning	58,891	20,355
Rent and rates	73,629	59,456
Energy	110,746	117,377
Insurance	82,804	54,904
Security	1,566	949
Transport	23,705	22,378
Catering	95,139	31,126
Bank interest and charges	64	507
Travel and subsistence	5,976	4,938
Agency costs	120,299	47,231
Legal and professional	148,480	62,559
Other support costs	168,243	133,550
	<hr/> 2,390,751	<hr/> 1,673,547
	<hr/> 8,544,842	<hr/> 7,071,657

The comparative figures presented above for 2015 include expenditure relating to The Henry Box School only.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. EXPENDITURE

	Staff costs 2016 £	Non-Pay Premises 2016 £	Expenditure Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	-	-	350	350	2,190
Activities:					
Direct costs	5,258,137	-	895,954	6,154,091	5,398,110
Support costs	896,225	801,691	692,835	2,390,751	1,647,817
	<u>6,154,362</u>	<u>801,691</u>	<u>1,589,139</u>	<u>8,545,192</u>	<u>7,048,117</u>

In 2016, of the total expenditure, £194,104 (2015 - £195,997) was to unrestricted funds and £8,334,292 (2015 - £6,847,416) was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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8. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	4,941,298	4,323,035
Social security costs	382,571	305,993
Operating costs of defined benefit pension schemes	831,174	712,030
	<u>6,155,043</u>	<u>5,341,058</u>
Staff restructuring costs	5,200	43,862
	<u><u>6,160,243</u></u>	<u><u>5,384,920</u></u>

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

	2016 No.	2015 No.
Teachers	79	79
Administration and support	72	52
Management	11	7
	<u>162</u>	<u>138</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1

The above employees all participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff members amounted to £34,538 (2015: £20,298).

The key management personnel of the Academy comprise the Directors and Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services was £233,291 (2015: £139,289 (2 members of personnel)).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. CENTRAL SERVICES

The Academy has provided the following central services to the individual academy schools within the multi-academy trust during the year:

- Administrative support
- Services purchased centrally such as insurance

The Academy charges for these services on the following basis:

During this transitional year, the Academy did not apply a formal system of recharges. A system will be introduced during the year ending 31 August 2017. During the year ended 31 August 2016, most costs recharged could be directly attributed to individual academies.

The actual amounts charged during the year ended 31 August 2016 were as follows: The Henry Box School £7,184, Finstock C.E. Primary School £5,027 and Queen Emma's Primary School £17,809.

10. TRUSTEES' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees 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 2016 was £3,248 (2015 - £1,489).

11. TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	19,898,913	12,175	62,451	444,206	20,417,745
Additions	4,145,509	3,000	51,861	153,148	4,353,518
At 31 August 2016	24,044,422	15,175	114,312	597,354	24,771,263
Depreciation					
At 1 September 2015	1,045,800	4,185	18,189	228,939	1,297,113
Charge for the year	393,181	1,647	20,859	118,418	534,105
At 31 August 2016	1,438,981	5,832	39,048	347,357	1,831,218
Net book value					
At 31 August 2016	22,605,441	9,343	75,264	249,997	22,940,045
At 31 August 2015	18,853,113	7,990	44,262	215,267	19,120,632

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. TANGIBLE FIXED ASSETS (continued)

The Academy took out a 125 year lease over the land and buildings located at The Henry Box School transferred from Oxfordshire County Council at the original date of conversion to a standalone academy in 2012. In addition, the lease that already existed between between Oxfordshire County Council and the Witney Educational Foundation was assigned to the Trust on the date of conversion. The land and buildings transferred and assigned at conversion have been valued at an estimate of their fair value at conversion. In determining this value, the Directors have referred to the desktop valuation of the land and buildings commissioned by the EFA as at 31 March 2013.

This desktop valuation was undertaken by Kier (previously Mouchel) and was carried out on a depreciated replacement cost basis. Included in the value of land and buildings is land at a value of £6,483,000 which is not depreciated.

During the year, Finstock C.E. Primary School and Queen Emma's Primary School joined the multi-academy trust.

The Trust took out a 125 year lease over the land and buildings located at Queen Emma's Primary School School transferred from Oxfordshire County Council.

Finstock C.E. Primary School occupies land and buildings which are owned by the Oxford Diocesan Board of Education. Supplemental Agreements are in place between the Oxford Diocesan Board of Education, the Oxford Diocesan Board of Finance and the Trust, which provide the Trust with the right to use the land and buildings for Finstock C.E. Primary School.

The land and buildings transferred and assigned have been valued at an estimate of their fair value. In determining this value, the Directors have referred to the desktop valuations of the land and buildings commissioned by the EFA as at 31 March 2016.

These desktop valuations were undertaken by Kier (previously Mouchel) and were carried out on a depreciated replacement cost basis. The valuation for Finstock C.E. Primary School was £1,256,000 (including land at a value of £547,000 which is not depreciated). The valuation for Queen Emma's Primary School was £2,487,000 (including land at a value of £631,000 which is not depreciated).

12. DEBTORS

	2016 £	2015 £
Trade debtors	24,369	63,901
Other debtors	230,899	71,595
Prepayments and accrued income	112,412	75,108
	<u>367,680</u>	<u>210,604</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	251,986	329,571
Other taxation and social security	109,526	101,508
Other creditors	101,046	129,208
Accruals and deferred income	64,280	161,307
	<u>526,838</u>	<u>721,594</u>
	2016 £	2015 £
Deferred income		
Deferred income	-	36,535
	<u>-</u>	<u>36,535</u>

At the balance sheet date the Trust was holding funds received in advance for trips amounting to £NIL (2015: £36,535) booked for the year ending 31 August 2016.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

14. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	746,942	553,212	(194,104)	(227,576)	-	878,474
Restricted funds						
General Annual Grant (GAG)	95,577	7,543,507	(7,466,422)	(93,161)	-	79,501
Local Authority grants	1,693	155,995	(157,688)	-	-	-
Donations	3,000	19,934	(4,872)	-	-	18,062
Pension reserve	(1,834,000)	(510,000)	(188,000)	-	(1,722,000)	(4,254,000)
	<u>(1,733,730)</u>	<u>7,209,436</u>	<u>(7,816,982)</u>	<u>(93,161)</u>	<u>(1,722,000)</u>	<u>(4,156,437)</u>
Restricted fixed asset funds						
Other capital grants	43,186	-	(4,007)	-	-	39,179
DfE/EFA capital grants	1,039,562	50,828	(53,143)	227,576	-	1,264,823
Capital from GAG and other funds	100,544	-	(52,557)	93,161	-	141,148
Assets transferred on conversion	18,171,136	3,792,738	(424,399)	-	-	21,539,475
	<u>19,354,428</u>	<u>3,843,566</u>	<u>(534,106)</u>	<u>320,737</u>	<u>-</u>	<u>22,984,625</u>
Total restricted funds	<u>17,620,698</u>	<u>11,053,002</u>	<u>(8,351,088)</u>	<u>227,576</u>	<u>(1,722,000)</u>	<u>18,828,188</u>
Total of funds	<u>18,367,640</u>	<u>11,606,214</u>	<u>(8,545,192)</u>	<u>-</u>	<u>(1,722,000)</u>	<u>19,706,662</u>

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

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Local Authority grants represent money given to the Trust, including the High Needs grant.

The pension reserve represents the Local Government Pension Scheme deficit.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

14. STATEMENT OF FUNDS (continued)

Fixed asset funds

Other capital grants represents funds given to the Trust through donations for specific capital purposes which were unspent at 31 August 2016.

Fixed assets transferred on conversion represent the land and buildings and equipment donated to the school from Oxfordshire County Council on conversion to an academy.

Fixed assets purchases from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA capital grants included devolved capital funding and amounts received from the Condition Improvement Fund.

As at 31 August 2016, £44,580 of unspent capital grants were carried forward to be utilised on ongoing projects during the year ending 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	<i>Total 2015 £</i>
The Henry Box School	761,018	847,213
Finstock C.E Primary School	43,160	-
Queen Emma's Primary School	113,476	-
Central Costs	58,383	-
Total before fixed asset fund and pension reserve	<u>976,037</u>	<u>847,213</u>
Restricted fixed asset fund	22,984,625	19,354,428
Pension reserve	(4,254,000)	(1,834,000)
Total	<u><u>19,706,662</u></u>	<u><u>18,367,641</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

14. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	Total 2015 £
The Henry Box School	4,305,890	631,780	99,209	1,140,103	6,176,982	6,643,954
Finstock C.E Primary School	253,100	44,743	5,234	87,267	390,344	-
Queen Emma's Primary School	608,168	115,256	4,379	242,924	970,727	-
Central Costs	4,979	2,446	14,211	75,397	97,033	-
LGPS pension finance cost	86,000	102,000	-	-	188,000	-
	<u>5,258,137</u>	<u>896,225</u>	<u>123,033</u>	<u>1,545,691</u>	<u>7,823,086</u>	<u>6,643,954</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	22,940,045	22,940,045	19,120,632
Current assets	1,405,312	97,563	44,580	1,547,455	1,802,602
Creditors due within one year	(526,838)	-	-	(526,838)	(721,594)
Pension scheme liability	-	(4,254,000)	-	(4,254,000)	(1,834,000)
	<u>878,474</u>	<u>(4,156,437)</u>	<u>22,984,625</u>	<u>19,706,662</u>	<u>18,367,640</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

**16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	3,061,022	(133,345)
Adjustment for:		
Depreciation charges	534,105	429,297
Losses on investments	(7,304)	(1,370)
Increase in debtors	(157,075)	(66,918)
(Decrease)/increase in creditors	(194,757)	341,591
Defined benefit pension scheme obligation inherited	510,000	-
Defined benefit pension scheme cost less contributions payable	188,000	111,000
Net assets and liabilities from Local Authority and Oxford Diocese on conversion	(3,957,484)	-
Net cash (used in)/provided by operating activities	(23,493)	680,255

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	1,179,775	1,591,998
Total	1,179,775	1,591,998

18. CAPITAL COMMITMENTS

At 31 August 2016 the Trust had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	288,248

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

19. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £552,060 (2015 - £450,051).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has

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19. PENSION COMMITMENTS (continued)

set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £241,737 (2015 - £249,347), of which employer's contributions totalled £201,563 (2015 - £188,109) and employees' contributions totalled £40,175 (2015 - £61,283). The agreed contribution rates for future years are 16.3% for employers and 5.5-12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions at the Balance Sheet date:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.40 %
Rate of increase for pensions in payment / inflation	2.30 %	2.60 %
Inflation assumption (CPI)	1.80 %	2.60 %
Inflation assumption (RPI)	2.30 %	3.50 %

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

	2016	2015
Retiring today		
Males	23.3	23.3
Females	25.8	25.7
Retiring in 20 years		
Males	25.6	25.5
Females	28.1	28.0

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19. PENSION COMMITMENTS (continued)

The Trust's share of the assets in the scheme was:

	Fair value at 31 August 2016 £
Equities	1,662,000
Other bonds	91,000
Property	182,000
Gilts	321,000
Cash	89,000
Other	196,000
Total market value of assets	2,541,000

The actual return on scheme assets was £NIL (2015 - £47,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(382,817)	(263,000)
Net interest cost	(86,000)	(42,000)
Total	(468,817)	(305,000)
Actual return on scheme assets	-	(47,000)

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

	2016 £	2015 £
Opening defined benefit obligation	3,414,000	3,047,000
Current service cost	382,817	263,000
Interest cost	169,000	125,000
Employee contributions	76,000	60,000
Actuarial (gain)/losses	1,955,000	(76,000)
Liabilities assumed / (extinguished) on settlements	879,000	-
Benefits paid	(45,000)	(5,000)
Closing defined benefit obligation	6,830,817	3,414,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

19. PENSION COMMITMENTS (continued)

Movements in the fair value of the Trust's share of scheme assets:

	2016 £	2015 £
Opening fair value of scheme assets	1,580,000	1,284,000
Upon conversion	83,000	-
Return on plan assets (excluding net interest on the net defined pension liability)	233,000	83,000
Interest on assets	83,000	-
Actuarial gains and (losses)	233,000	(36,000)
Administration expenses	(1,000)	-
Contributions by employer	246,000	194,000
Contributions by employees	76,000	60,000
Benefits paid	(45,000)	(5,000)
Settlement prices received / (paid)	369,000	-
	<u>2,857,000</u>	<u>1,580,000</u>
Closing fair value of scheme assets		

20. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	12,013	8,134
Between 1 and 5 years	4,615	12,325
Total	<u>16,628</u>	<u>20,459</u>

21. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a director 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.

A member of administration staff is married to one of the Directors. The staff member is remunerated according to the usual Local Authority payscales.

22. CONTROLLING PARTY

The Trust is controlled by its Members as detailed on page 1 of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure in the financial statements.

24. 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.

25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. However, as a result of the conversion to FRS 102, there has been a reallocation between actuarial gains/(losses) on defined benefit pension schemes and interest costs within charitable activities expenditure which has no impact on the net movement in funds for the prior year.