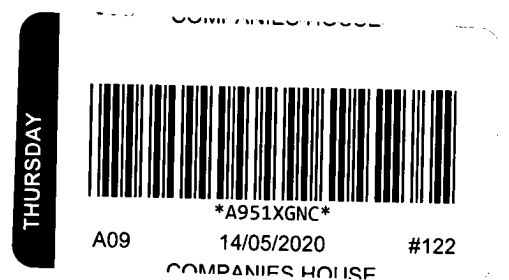


**Company Registration Number: 08060721 (England & Wales)**

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



**THE MILL ACADEMY**  
**(A company limited by guarantee)**

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**THE MILL ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

D Jones  
W Stephenson  
Dame P Collarbone (appointed 17 June 2019)  
Chair of the Trust Board (Prof. J West-Burnham)  
The Oxford Diocesan Board of Education

**Directors**

W Hemmingsley, Chief Executive  
G Joyner  
N Moore, Vice Chair (appointed 20 November 2018)  
G Manthorpe, Vice Chair (resigned 15 January 2019)  
C Mitchell  
J Laing (appointed 8 October 2019)  
J West-Burnham, Chair (appointed 10 October 2018)  
C King (appointed 20 November 2018)  
P Gardner (appointed 2 May 2019)

**Company Registration Number**

08060721

**Company name**

The Mill Academy

**Principal and Registered Office**

The Henry Box School, Church Green, Witney, Oxfordshire, OX28 4AX

**Company Secretary**

T Hodges

**Chief Executive**

W Hemmingsley

**Senior Management Team**

W Hemmingsley, Chief Accounting Officer and Head teacher of The Henry Box School  
V Musson, Director of Education  
N Stretton, Chief Finance Officer  
R Goddard, Deputy Head teacher of The Henry Box School  
P Jacobs, Head teacher of Queen Emma's Primary School  
L Dodgson-Hatto, Head teacher of Finstock CE Primary School  
L Dixon, School leader of Queen Emma's Primary School  
J Patino-Velasquez, School leader of Queen Emma's Primary School  
E Henderson, School leader of Queen Emma's Primary School

**THE MILL ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Independent Auditor**

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

**Bankers**

Lloyds Bank Plc, P O Box 1000, Andover, BX1 1LT

**Solicitors**

Harrison Clark Rickerbys, Ellenborough House, Wellington Street, Cheltenham, GL50 1YD

**THE MILL ACADEMY**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**TRUSTEES' REPORT**

The Trustees present their annual report together with the financial statements and auditors' report of The Mill Academy Trust ('the Trust' or 'the charitable company') for the period 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust 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 1,361 in the school census in October 2019.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust, 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 Trust.

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

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

**Members' Liability**

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

**Trustees' Indemnities**

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

**Principal Activities**

The principal activity of the Trust 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 Trustees**

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

- up to 9 Trustees who are appointed by the Members;
- up to 3 Trustees who are appointed by the Diocesan Board of Education; and
- the Chief Executive who is treated for all purposes as being a Trustee.

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

**THE MILL ACADEMY**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience and tends to be done informally and tailored specifically to the individual based on an audit of their skills. All Trustees are provided with copies of policies, procedures, plans and other documents they will need to undertake their role as Trustees.

There are Trustee training days organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. The Trust subscribes to the National Governor Association and The Key giving Trustees access to a range of resources, articles and training.

**Organisational Structure**

The Board of Trustees normally meets at least six times a year. The Trustees establish an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of its Committees 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 Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are eight Committees of the Board of Trustees as below. During the year 2018/19 the only committees which operated were the three Local Committees, the Executive and the Remuneration Committee, with all other matters being dealt with at full Board meetings:

- The Henry Box School Local Committee
- Queen Emma's Primary Local Committee
- Finstock Church of England Primary Local Committee
- Executive
- Finance and Resources Committee
- Risk and Audit Committee
- Educational Standards and Performance Committee
- Remuneration Committee

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 Trust 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 Trustees and Company Secretary.

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Trust by the use of budgets and other data, and making the major decisions about the direction of the Trust, finances and Headteacher appointments.

The Trustees have devolved the day-to-day management of the Trust to the Chief Executive and the Executive Team. The Executive Team comprises the Chief Executive, Chief Finance Officer and Director of Education; and is supported by an Executive Assistant and the Headteachers of the Schools in the Trust. The Executive Team implements the policies laid down by the Trustees and reports back to them on performance.

**THE MILL ACADEMY**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Arrangements for setting pay and remuneration of key management personnel**

The Trust 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 Trust 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 remunerated in accordance with the "Green Book".

The Trust is currently not statutorily required to report on its gender pay gap but is monitoring this closely.

**Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time**

Provide the total cost of facility time	£20
Provide the total pay bill	£6,364,086
Provide the percentage of the total pay bill spent on facility time	0%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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**Related Parties and other Connected Charities and Organisations**

There are no related parties which either control or significantly influence the decisions and operations of the Trust. There are no sponsors associated with the Trust.

**THE MILL ACADEMY**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal objects of the Trust, 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 schools but 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 Trust during the period ended 31 August 2019 are summarised below:

1. To secure equity.
2. To ensure leadership drives improvement.
3. To ensure our curriculum is irresistible.
4. To be research informed in all decision making.
5. To ensure effective management of resources.

**Objectives, Strategies and Activities**

The key priorities for the period are contained in the Trust's Development Plan which is available from the Chief Executive. The main activities of the Trust for the period ended 31 August 2019 were as follows:

**Priority 1: Secure equity**

**Objectives**

- 1.1 Close the gap for those that are disadvantaged
- 1.2 Establish The Learner Engagement Team at The Henry Box School to include a Student Support Team and Family Support Team (Attendance, Provision, Early Help)
- 1.2 Working collaboratively, ensure professional development improves the quality of teaching
- 1.3 Increase leadership development across the Trust to recruit, retain and develop the best

**Strategies**

- Address needs of local community (increase in students with SEND, EAL, families with increasing economic pressures and vulnerability)
- Establish school threshold provision i.e. work more closely with families in need of high level support
- Invest in KS4 provision so that the best teachers are pre and post teaching the students who require the most support to ensure they keep up and catch up
- Ensure all students can read with accuracy and fluency by the end of Year 7 and dedicate resource to this
- Increased range of inclusive teaching strategies so that rates of progress for SEND, disadvantaged and LPA improve still further
- Increased parental engagement to improve student engagement
- Review, design and implement whole school approach to health and well being.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Priority 2: To ensure leadership drives improvement**

**Objectives**

- 2.1 All Trust Leaders have the knowledge and skill to drive school improvement across the Trust**
- 2.2 People strategy ensures emerging leaders are developed**
- 2.3 Develop Trust wide distributed leadership**

**Strategies**

- All Trust Leaders complete the OLEVI Outstanding Leadership of Education Programme (OLE) and the OLEVI Power of Coaching Programme (PoC)
- Talent identified through Appraisal process
- Provide opportunities to lead Trust wide projects
- Ensure the five pillars of Pivotal Practice underpin everything we do: reducing exclusions, isolation, detentions and increasing recognition, attendance and engagement

**Priority 3: To ensure our curriculum is irresistible**

**Objectives**

- 3.1 Contribute to the national agenda through involvement with Cornerstones Curriculum development (primary)**
- 3.2 Review secondary curriculum**
- 3.3 Increase subject expertise**

**Strategies**

- Ensure RWI (phonics and FS) are implemented with consistency
- Professional Development ensures key staff have skills and knowledge required
- Systematic sharing of effective practice established
- Increase collaborative work on curriculum across the Trust
- All subjects include memorable experiences and increased cultural capital
- Invest in KS4 provision so that the best teachers are pre and post teaching the students who require the most support to ensure they keep up and catch up

**Priority 4: To be research informed in all decision making**

**Objectives**

- 4.1 Ensure all teachers are actively engaged in action research**
- 4.2 Ensure all decisions are informed by research**

**Strategies**

- Action research projects included in teacher appraisal objectives
- Trust Conference to included external and internal speakers based on the themes:
  - o Curriculum
  - o Equity
  - o Leadership

**Priority 5: To continue to manage resources effectively**

**Objectives:**

- 5.1 Increase post 16 recruitment to ensure a sustainable post 16 offer**
- 5.2 Increased collaboration across Trust schools**
- 5.3 Shared SENCo expertise across primaries**
- 5.4 Increase inclusive Key Stage 4 curriculum ensuring less reliance on costly external providers**

**THE MILL ACADEMY**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Public Benefit**

The Trustees 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 Trust's aims and objectives and in planning its future activities.

**STRATEGIC REPORT**

The Trust has continued to work on the priorities set out by the Board of Trustees and contained in the 'Objectives' section above. Notable achievements this year were: A Level results at The Henry Box School; improving SEND outcomes at The Henry Box School; Key Stage 1 outcomes in Queen Emma's Primary School and Finstock Church of England Primary School, the introduction of The Learner Engagement Team; the Trust professional development programme; the introduction of vertical tutoring; the EEF informed approach to managing behaviour and the efficient management of resources.

Environmental factors to consider are the current economic and financial instability, caused by the impending EU exit negotiations and the lack of a stable majority government, and its impact on public spending decisions and economic forecasts for the UK.

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

The Trust 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 Trust to a number of financial risks which are described in more detail below.

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

**Achievements and Performance**

The Trust is in its seventh period of operation since conversion on 1 June 2012 and the fourth period as a multi-academy trust.

The total number of pupils in the period ended 31 August 2019 was 1,432 but this has decreased to 1,361 at the October 2019 census date. The number of pupils in the primary schools is decreasing due to recent lower birth rates but the numbers transitioning to secondary school are larger, with the secondary numbers expected to continue to rise year on year for the next 4 to 5 years. Sixth form numbers in the secondary school had decreased in recent years but the numbers enrolling in September 2019 are the highest in the last four years.

The Trust 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 Trust during the period ended 31 August 2019 were as follows:

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**GCSE Results**

**The Henry Box  
School**

<b>Number of Candidates</b>	<b>222</b>
<b>English &amp; Maths 4+</b>	<b>65%</b>
<b>English &amp; Maths 5+</b>	<b>39%</b>
<b>Average Attainment 8 Score</b>	<b>45.6</b>
<b>Progress 8 Measure</b>	<b>-0.13</b>

**GCE Results**

	<b>*A-B Grades</b>	<b>*A-C Grades</b>	<b>*A-E Grades</b>
<b>2019</b>	<b>51%</b>	<b>83%</b>	<b>100%</b>
<b>2018</b>	<b>58%</b>	<b>81%</b>	<b>99%</b>
<b>2017</b>	<b>54%</b>	<b>78%</b>	<b>98%</b>
<b>2016</b>	<b>56%</b>	<b>83%</b>	<b>99%</b>
<b>2015</b>	<b>47%</b>	<b>68%</b>	<b>97%</b>
<b>2012</b>	<b>52%</b>	<b>78%</b>	<b>99%</b>
<b>National</b>			
<b>2019</b>	<b>52%</b>	<b>76%</b>	<b>98%</b>

**Key Stage 1**

	<b>National</b>	<b>Queen Emma's Primary</b>	<b>Finstock CofE Primary</b>
<b>Reading</b>	<b>75</b>	<b>71</b>	<b>86</b>
<b>Writing</b>	<b>69</b>	<b>71</b>	<b>71</b>
<b>Maths</b>	<b>76</b>	<b>76</b>	<b>71</b>

**Key Stage 2**

	<b>National</b>	<b>Queen Emma's Primary</b>	<b>Finstock CofE Primary</b>
<b>Reading</b>	<b>73</b>	<b>37</b>	<b>64</b>
<b>Writing</b>	<b>78</b>	<b>60</b>	<b>71</b>
<b>Maths</b>	<b>79</b>	<b>27</b>	<b>57</b>

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

The Henry Box School was subject to a Section 5 Ofsted Inspection in November 2017, where it received an overall rating of Good, as well as individual judgement of Good in the categories of:

- Leadership and Management
- Quality of Teaching, Learning and Assessment
- Personal Development, Behaviour and Welfare
- Outcomes for Pupils

Further details can be found on the School's website at [www.henrybox.oxon.sch.uk](http://www.henrybox.oxon.sch.uk)

Queen Emma's Primary School was subject to a Section 5 Ofsted Inspection in September 2018 and received an overall rating of Good, as well as individual judgement of Good in the categories of:

- Leadership and Management
- Quality of Teaching, Learning and Assessment
- Personal Development, Behaviour and Welfare
- Outcomes for Pupils

Further details can be found on the School's website at [www.queen-emmas.oxon.sch.uk](http://www.queen-emmas.oxon.sch.uk)

Finstock Church of England Primary School was subject to a Section 8 Ofsted Inspection in September 2018 and received an overall rating of Good, as well as individual judgement of Good in the categories of:

- Leadership and Management
- Quality of Teaching, Learning and Assessment
- Personal Development, Behaviour and Welfare
- Outcomes for Pupils

Further details can be found on the School's website at [www.finstock.oxon.sch.uk](http://www.finstock.oxon.sch.uk)

#### **Key Performance Indicators**

Although the Trust'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 2019, the balance of the GAG Restricted Fund was £206,484, and the balance of unrestricted general funds is £961,241.

As the majority of the Trust'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 was 1,361 which is a decrease of 5% from the previous census.

As a result, the ratio of GAG funding per pupil was £5,035 for the period.

Staffing costs are another key performance indicator for the Trust and the percentage of total staff costs to GAG funding for the period was 96.45%, while the percentage of staff costs to total costs was 77.13%.

#### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**FINANCIAL REVIEW**

The majority of the Trust's income is received from the DfE via the ESFA 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 2019 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Trust 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 2019, the total expenditure of £8,560,963 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). Excluding depreciation charges of £601,608 and pension reserve deficit of £489,000, total income for the period exceeded total expenditure by £434,484.

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

The balance of total funds held at 31 August 2019 was £18,920,601 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£209,857
Restricted Pension Liability Fund	(£4,571,000)
Restricted Fixed Asset Fund	£22,320,503
Unrestricted Funds	£961,241

The key financial policies reviewed during the period included the Financial Procedures Manual, which lays out the framework for the Trust's financial management, including financial responsibilities of the Board of Trustees, 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 Policy, Teachers Pay Policy, Data Protection and Publication Scheme, Health, Safety and Wellbeing Policy and Child Protection and Safeguarding Policy.

**Financial and Risk Management Objectives and Policies**

The Trust has agreed a Risk Management Policy and a Risk Management Plan. In addition each school in the Trust is asked to keep a risk register. The Trust's risks and risk management plan are constantly reviewed in light of any new information and formally reviewed annually.

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

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

The Trustees examine the financial health of the Trust formally in its meetings, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees meetings.

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

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Principal Risks and Uncertainties**

The Trustees have set out a Risk Management Policy and implemented a system to assess risks that the Trust faces. 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 Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

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

**Financial**

The Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 96.1% of the Trust's incoming resources were 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 Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

**Reputational**

The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored, reviewed and publicised on the websites and prospectus of the schools. The adverse reporting of the local press has been and continues to be a significant risk to school reputations.

**Safeguarding and child protection**

The Trustees 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 Trust is reliant on the quality of its staff so the Trustees 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 Trust has engaged its external auditors to perform a program of 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Reserves Policy**

The Trustees review the reserve levels of the Trust 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 Trustees also take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees 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 a Trust as a whole should not be below 5% of total incoming resources. The Trust 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 Trust will need to review its reserves levels when or if its insurance arrangements are changed in the future.

The Trust's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £18,920,601 of which £961,241 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 at least 5% of incoming resources.

**Investment Policy**

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

**PLANS FOR FUTURE PERIODS**

The Trust strives to continually improve levels of attainment and progress for all pupils and, particularly, to secure equity for the most vulnerable.

The Trust's plans for future periods are:

- Ensure that all teaching across the Trust is of the highest quality and is research informed;
- Ensure that the progress of disadvantaged students and those with SEND is at least in line with that of the non-disadvantaged nationally;
- Ensure that the curriculum is irresistible
- Increase levels of literacy to increase rates of progress;
- Increasing parental engagement to increase rates of progress and attendance;
- 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 Trust and its Trustees do not act as Custodian Trustees of any other charity.

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

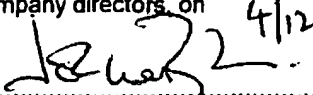
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**AUDITOR**

In so far as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 4/12/2019 and signed on its behalf by:

  
.....  
**J West-Burnham**  
(Chair of the Board)



**THE MILL ACADEMY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

As Trustees, 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 Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Trustees, including all Committees, any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report. The board of Trustees has formally met times during the year.

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

Trustee	Meetings attended	Out of a possible
J West-Burnham, Chair	5	6
W Hemmingsley, Chief Executive	6	6
G Joyner	5	6
C King	2	5
C Mitchell	5	6
N Moore, Vice Chair	5	5
P Gardner	3	3
G Manthorpe, Vice Chair	2	2

**Governance reviews**

The governance arrangements for The Henry Box School were replaced by the new governance for The Mill Academy on 1 October 2015. The governance arrangements include maintaining a Local Committee for each of the schools in the Trust. The Board agrees a schemes of delegation for the Trust as a whole, along with individual Terms of Reference for each Local Committee and its own committees.

The Trust continues to identify areas of weakness or gaps on the Board, and is using the Academy Ambassadors programme to recruit to Trustee vacancies. During 2018/19 there have been some Trustee changes and efforts to recruit additional Trustees being successful with numbers of Trustees being at the highest level for several years. The Board did not operate committees of the Board with all business being conducted within full Board meetings; this will change in 2019/20 with the reformation of a Finance and Resources Committee, and an Audit Committee. The current Trustees are clear on the skills they need on the Board, and they have successfully used their skills assessments to recruit new Trustees during the academic year. The Board annually review their schemes of delegations with updates already in place for the start of the year 2019/20.

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

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

The Accounting Officer considers how the Trust use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust 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 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 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 Trust and school budgets, 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, transition and parental engagement;
- Sharing good practice amongst collaborative schools.

The Trust's use of its resources has provided good value for money during the academic year because the Trustees, local governors and school leadership teams 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 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 Trustees, local governors and leaders do not waste time and resources:

- On investigating minor areas where few improvements can be achieved;
- To make minor savings in costs;
- Seeking tenders for minor supplies and services.

Trustees, 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 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 on-line payment system, website.

This will apply in particular to:

**Staffing**

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

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money (continued)**

**Teaching**

Trustees, local committee volunteers 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**

Trustees, local committee volunteers 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**

Trustees 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.

**Use of Resources**

Trustees and leaders deploy equipment, materials and services to provide students and staff with resources which support quality of teaching and quality of learning. The Trust benefits from employing a Finance Committee and centralised finance team, which supports staff in its schools to deploy resources in the most efficient manner.

**Purchasing**

Trustees and leaders 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,
- 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 School Improvement Plans
- Regular monitoring and review of all aspects of finance with Headteachers and at the Board.

**Income Generation and Surplus Balances**

Trustees and leaders explore every opportunity to generate income through various means such as the hiring of Trust facilities and the selling of training and consultation time.

**Student Welfare**

Trustees and leaders review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and achievement. Safeguarding procedures are in place and tested to ensure they are robust and preventative measures and training provision built into budgetary estimates.

**Health and Safety**

Trustees and leaders 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.

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money (continued)**

**Monitoring of Best Value**

Monitoring of these areas for best value took place:

- In-house by leaders and leadership teams in schools e.g. through quality assurance procedures;
- In the Annual Budget Planning process and the preparation of the Annual Accounts;
- In Trust and School Improvement Plans;
- Through the analysis of in-house student performance data including exam results and Key Stage results;
- Through the analysis of ASP student performance data;
- Through the analysis of financial data;
- In stakeholder surveys;
- By providing information to families via school websites and newsletters.

**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 Trust's 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 period ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed James Cowper Kreston, the external auditor to perform additional checks. The Trust Board carried out the responsibilities of the Audit Committee in 2018/19 and set out specific terms of reference to monitor compliance with internal assurance work, set areas for examination by the internal auditor and monitor the risk management policy.

James Cowper Kreston's role includes giving advice on financial matters, where requested, and performing a range of checks on the Trust's financial systems. On a semi-annual basis, James Cowper Kreston reports to the Board of Trustees on the results of its work.

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


**Review of effectiveness**

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period ended 31 August 2019 the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- a financial management self-assessment process;
- the work of the Chief Finance Officer and the Finance Manager within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

  
.....  
J West Burnham  
Chair of the Board  
Date: 4/12/2019

  
.....  
W Hemmingsley  
Accounting Officer

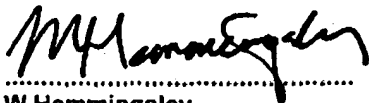
**THE MILL ACADEMY**  
(A company limited by guarantee)

**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 Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2018.

I confirm that I and the Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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



.....  
W Hemmingsley

Accounting Officer

Date: 4/12/2019

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

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

**Opinion**

We have audited the financial statements of The Mill Academy (the 'trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

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

**Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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



**THE MILL ACADEMY**  
**(A company limited by guarantee)**

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

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

This report is made solely to the charitable Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Trust's 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 charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**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: 10/12/2019

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 2 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Mill Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Mill Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Mill Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Mill Academy and ESFA, 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Specific work undertaken to draw our conclusion includes:

- reviewing the minutes of the meetings of the Board of Trustees 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.

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

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

**Conclusion**

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



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

Date: 10/12/2019

**THE MILL ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	4	68	19,355	224,876	244,299	484,259
Charitable activities		243,579	7,345,576	-	7,589,155	7,842,511
Other trading activities		63,456	-	-	63,456	73,973
Investments	7	7,929	-	-	7,929	9,329
<b>Total income</b>		<b>315,032</b>	<b>7,364,931</b>	<b>224,876</b>	<b>7,904,839</b>	<b>8,410,072</b>
<b>Expenditure on:</b>						
Raising funds		360	-	-	360	350
Charitable activities		158,847	7,800,148	601,608	8,560,603	8,679,939
<b>Total expenditure</b>		<b>159,207</b>	<b>7,800,148</b>	<b>601,608</b>	<b>8,560,963</b>	<b>8,680,289</b>
<b>Net income/(expenditure)</b>		<b>155,825</b>	<b>(435,217)</b>	<b>(376,732)</b>	<b>(656,124)</b>	<b>(270,217)</b>
Transfers between funds	18	-	24,303	(24,303)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>155,825</b>	<b>(410,914)</b>	<b>(401,035)</b>	<b>(656,124)</b>	<b>(270,217)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	24	-	(1,039,000)	-	(1,039,000)	910,000
<b>Net movement in funds</b>		<b>155,825</b>	<b>(1,449,914)</b>	<b>(401,035)</b>	<b>(1,695,124)</b>	<b>639,783</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		805,416	(2,911,229)	22,721,538	20,615,725	19,975,942
Net movement in funds		155,825	(1,449,914)	(401,035)	(1,695,124)	639,783
<b>Total funds carried forward</b>		<b>961,241</b>	<b>(4,361,143)</b>	<b>22,320,503</b>	<b>18,920,601</b>	<b>20,615,725</b>

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

The notes on pages 30 to 56 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**


	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	15	22,535,684	22,493,059
		<u>22,535,684</u>	<u>22,493,059</u>
<b>Current assets</b>			
Debtors	16	226,430	222,897
Cash at bank and in hand		1,478,152	1,537,446
		<u>1,704,582</u>	<u>1,760,343</u>
Creditors: amounts falling due within one year	17	(748,665)	(594,677)
<b>Net current assets</b>		<u>955,917</u>	<u>1,165,666</u>
<b>Total assets less current liabilities</b>		<u>23,491,601</u>	<u>23,658,725</u>
<b>Net assets excluding pension liability</b>		<u>23,491,601</u>	<u>23,658,725</u>
Defined benefit pension scheme liability	24	(4,571,000)	(3,043,000)
<b>Total net assets</b>		<u><u>18,920,601</u></u>	<u><u>20,615,725</u></u>

**THE MILL ACADEMY**  
(A company limited by guarantee)

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	22,320,503	22,721,538
Restricted income funds	18	209,857	131,771
		<hr/>	<hr/>
Restricted funds excluding pension asset	18	22,530,360	22,853,309
Pension reserve	18	(4,571,000)	(3,043,000)
		<hr/>	<hr/>
<b>Total restricted funds</b>	18	17,959,360	19,810,309
<b>Unrestricted income funds</b>	18	961,241	805,416
		<hr/>	<hr/>
<b>Total funds</b>		<b>18,920,601</b>	<b>20,615,725</b>

The financial statements on pages 26 to 56 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:

  
.....  
**J West-Burnham**  
(Chair of the Board)  
Date: 10/12/2019

The notes on pages 30 to 56 form part of these financial statements.

**THE MILL ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	577,010	592,651
<b>Cash flows from investing activities</b>	21	(636,304)	(271,466)
<b>Change in cash and cash equivalents in the year</b>		<b>(59,294)</b>	<b>321,185</b>
Cash and cash equivalents at the beginning of the year		1,537,446	1,216,261
<b>Cash and cash equivalents at the end of the year</b>	22	<u><u>1,478,152</u></u>	<u><u>1,537,446</u></u>

The notes on pages 30 to 56 form part of these financial statements

**THE MILL ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. General information**

The Academy is a company limited by guarantee incorporated in the United Kingdom. The registered office address is shown on page 1.

The members of the Academy 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.

**2. 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.

**2.1 Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Mill Academy meets the definition of a public benefit entity under FRS 102.

**2.2 Going concern**

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



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**2. Accounting policies (continued)**

**2.3 Income**

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

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

- **Other income**

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

**2.4 Expenditure**

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**THE MILL ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**2. Accounting policies (continued)**

**2.5 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 institution with whom the funds are deposited.

**2.6 Taxation**

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

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

**2.7 Tangible fixed assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Leasehold land	- Over the term of the lease
Buildings	- 2.5% Straight line
Computer equipment	- 33% Straight line
Fixtures & fittings	- 25% Straight line
Motor vehicles	- 25% Straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**2.8 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.

**THE MILL ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**2. Accounting policies (continued)**

**2.9 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.

**2.10 Liabilities**

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

**2.11 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

**2.12 Operating leases**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**2. Accounting policies (continued)**

**2.13 Pensions**

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**2.14 Fund accounting**

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

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

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

**THE MILL ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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 2019**

**4. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations and other voluntary income	68	19,355	-	19,423
Capital grants	-	-	224,876	224,876
<b>Total 2019</b>	<b>68</b>	<b>19,355</b>	<b>224,876</b>	<b>244,299</b>

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	35,879	-	35,879
Grants	-	448,380	448,380
	<b>35,879</b>	<b>448,380</b>	<b>484,259</b>

**5. Funding for the Academy's educational activities**

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	7,187,084	7,187,084	7,454,340
Other DfE/ESFA grants	37,777	37,777	37,887
<b>Total DfE/ESFA grants</b>	<b>7,224,861</b>	<b>7,224,861</b>	<b>7,492,227</b>
<b>Local authority grants</b>			
Local authority	120,715	120,715	118,641
<b>Total local authority grants</b>	<b>120,715</b>	<b>120,715</b>	<b>118,641</b>
<b>Total 2019</b>	<b>7,345,576</b>	<b>7,345,576</b>	<b>7,610,868</b>

All of the prior year comparative funds were restricted.

**THE MILL ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**6. Income from other trading activities**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other income	25,298	25,298	33,145
Lettings income	38,158	38,158	40,828
Income from other educational activities	243,579	243,579	231,643
<b>Total 2019</b>	<b>307,035</b>	<b>307,035</b>	<b>305,616</b>

All of the prior year comparative funds were unrestricted.

**7. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest income	7,929	7,929	9,329

All of the prior year comparative funds were unrestricted.

**8. Expenditure**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on fundraising trading activities:	-	-	360	360
Activities:				
Direct costs	5,190,610	-	560,656	5,751,266
Support costs	1,412,470	782,182	614,685	2,809,337
<b>Total 2019</b>	<b>6,603,080</b>	<b>782,182</b>	<b>1,175,701</b>	<b>8,560,963</b>

**THE MILL ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	350	350
Activities:				
Direct costs	5,402,701	-	556,673	5,959,374
Support costs	1,247,204	735,653	737,708	2,720,565
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**9. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Direct costs - educational operations	5,751,266	2,809,337	8,560,603
<b>Total 2019</b>	<u>5,751,266</u>	<u>2,809,337</u>	<u>8,560,603</u>

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Direct costs - educational operations	5,959,374	2,720,565	8,679,939
	<u>          </u>	<u>          </u>	<u>          </u>

**Analysis of direct costs**



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension costs	89,000	97,000
Staff costs	5,071,862	5,221,572
Technology	14,814	15,286
Educational supplies	70,498	84,907
Examination fees	108,851	93,918
Staff development	27,649	22,138
Educational consultancy	36,616	45,289
Severance payments	118,748	181,137
Other direct costs	213,228	198,127
	<b><u>5,751,266</u></b>	<b><u>5,959,374</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Total funds 2019 £	Total funds 2018 £
Staff costs	1,292,224	1,184,569
Depreciation	601,608	633,904
Technology costs	119,514	101,074
Recruitment and support	26,501	16,922
Maintenance of premises	72,327	84,827
Maintenance of equipment	30,820	20,339
Cleaning	28,777	33,622
Rent and rates	85,764	87,975
Energy	97,366	114,600
Insurance	42,735	44,589
Security	3,814	2,246
Transport	7,798	11,722
Catering	101,935	98,776
Bank interest and charges	437	455
Travel and subsistence	7,137	4,000
Agency costs	111,435	53,119
Legal and professional	59,220	118,916
Apprenticeship levy	8,811	9,507
Other support costs	111,114	99,403
	<u>2,809,337</u>	<u>2,720,565</u>

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	8,825	16,206
Depreciation of tangible fixed assets	601,608	633,904
Fees paid to auditor for:		
- audit	10,000	9,750
- other services	1,700	1,620
	<u>610,133</u>	<u>651,280</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	4,718,705	4,824,862
Social security costs	429,792	441,843
Pension costs	1,215,589	1,139,436
	<u>6,364,086</u>	<u>6,406,141</u>
Apprenticeship levy	8,811	9,507
Staff restructuring costs (redundancy and severance payments)	118,748	181,137
Supply teacher costs	111,435	53,119
	<u><u>6,603,080</u></u>	<u><u>6,649,904</u></u>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £13,500 (2018: £6,678). The payment was made on 30 April 2019.

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	95	93
Administration and support	100	110
Management	10	11
	<u>205</u>	<u>214</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	66	73
Administration and support	68	68
Management	10	10
	<u>144</u>	<u>151</u>

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FOR THE YEAR ENDED 31 AUGUST 2019**

**11. Staff costs (continued)**

**d. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	1
	<u>2</u>	<u>1</u>

Some of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff members amounted to £35,766 (2018: £37,379).

**e. Key management personnel**

The key management personnel of the Academy comprise the Trustees and Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension) received by key management personnel for their services was £635,546 (2018: £659,759).

**12. Central services**

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

- School improvement, personnel and support
- HR support and advice
- IT personnel and support
- Financial support and systems
- Health, Safety and Wellbeing advice
- Governance and administrative advice and support
- Services purchased centrally such as insurance, IT licensing and payroll

The Trust charges for these services on the following basis:

The Trust charged for these services mainly on the basis of actual consumption, for example cost per employee for HR and payroll; or in some cases as a % based on pupil numbers in each academy. The Trust does not use a flat % top-slice and does not intend to build a reserve of central funds, as the Trust believes that funds are better utilised within the academies themselves.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
The Henry Box School	452,275	430,000
Finstock C.E. Primary School	56,138	28,000
Queen Emma's Primary School	97,615	110,530
<b>Total</b>	<u><b>606,028</b></u>	<u><b>568,530</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**13. Trustees' remuneration and expenses**

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

		2019 £	2018 £
Ms Hemmingsley	Remuneration	90,000 -	90,000 -
		95,000	95,000
	Pension contributions paid	15,000 -	10,000 -
		20,000	15,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**14. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £3,326 (2018 - £3,326). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**15. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	24,704,449	162,748	706,151	15,175	25,588,523
Additions	464,957	35,121	144,155	-	644,233
Disposals	-	-	(820)	-	(820)
At 31 August 2019	25,169,406	197,869	849,486	15,175	26,231,936
<b>Depreciation</b>					
At 1 September 2018	2,387,056	106,185	592,597	9,626	3,095,464
Charge for the year	486,286	32,373	81,052	1,897	601,608
On disposals	-	-	(820)	-	(820)
At 31 August 2019	2,873,342	138,558	672,829	11,523	3,696,252
<b>Net book value</b>					
At 31 August 2019	22,296,064	59,311	176,657	3,652	22,535,684
At 31 August 2018	22,317,393	56,563	113,554	5,549	22,493,059

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**15. Tangible fixed assets (continued)**

The Academy took out a 125 year lease over the land and buildings located at the Henry Box School and transferred from Oxfordshire County Council at the original date of conversion to a standalone academy in 2012. In addition, the 90 year lease that already existed 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 Trustees have referred to the desktop valuation of the land and buildings commissioned by the ESFA 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.

During 2015, 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 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. In addition, Finstock School has a 20 year lease with the Finstock Parish Council for land encompassing the school field.

The land and buildings transferred and assigned have been valued at an estimate of their fair value. In determining this value, the Trustees have referred to the desktop valuations of the land and buildings commissioned by the ESFA 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). The valuation for Queen Emma's Primary School was £2,487,000 (including land at a value of £631,000).

**16. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	20,663	17,841
Other debtors	101,214	87,538
Prepayments and accrued income	104,553	117,518
	<u>226,430</u>	<u>222,897</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**17. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	388,509	252,019
Other taxation and social security	99,161	113,433
Other creditors	94,438	100,584
Accruals and deferred income	166,557	128,641
	<u>748,665</u>	<u>594,677</u>
	2019 £	2018 £
Deferred income at 1 September 2018	40,944	4,522
Resources deferred during the year	1,984	40,944
Amounts released from previous periods	(40,944)	(4,522)
	<u>1,984</u>	<u>40,944</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds - all funds	805,416	315,032	(159,207)	-	-	961,241
<b>Restricted general funds</b>						
General Annual Grant (GAG)	129,276	6,905,521	(6,852,616)	24,303	-	206,484
Pupil premium	-	281,564	(281,564)	-	-	-
Local Authority and other DfE/ESFA grants	-	158,492	(158,492)	-	-	-
Donations	2,495	19,354	(18,476)	-	-	3,373
Pension reserve	(3,043,000)	-	(489,000)	-	(1,039,000)	(4,571,000)
	<u>(2,911,229)</u>	<u>7,364,931</u>	<u>(7,800,148)</u>	<u>24,303</u>	<u>(1,039,000)</u>	<u>(4,361,143)</u>
<b>Restricted fixed asset funds</b>						
Other capital grants fund	663,299	107,639	(51,220)	-	-	719,718
DfE/ESFA capital grants	1,144,088	117,237	(21,183)	-	-	1,240,142
Capital from GAG and other funds	139,042	-	(87,175)	(24,303)	-	27,564
Assets transferred on conversion	20,775,109	-	(442,030)	-	-	20,333,079
	<u>22,721,538</u>	<u>224,876</u>	<u>(601,608)</u>	<u>(24,303)</u>	<u>-</u>	<u>22,320,503</u>
<b>Total Restricted funds</b>	<u>19,810,309</u>	<u>7,589,807</u>	<u>(8,401,756)</u>	<u>-</u>	<u>(1,039,000)</u>	<u>17,959,360</u>
<b>Total funds</b>	<u>20,615,725</u>	<u>7,904,839</u>	<u>(8,560,963)</u>	<u>-</u>	<u>(1,039,000)</u>	<u>18,920,601</u>

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**18. Statement of funds (continued)**

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

**Unrestricted funds**

General fund represents income generated by the academy (such as lettings and hire of facilities) and any other donations or investment income, which is not restricted for any specific purpose and can be spent as determined by the Governing Body.

**Restricted funds**

The General Annual Grant (GAG) represents funding received from the Education and Skills 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 2019.

Local Authority and other DfE/ESFA grants represent money given to the Trust by the local authority and the Education and Skills Funding Agency, including the High Needs grant and rates relief.

Donations represent money given to the Trust by donors for specific fundraising ventures. Restrictions are imposed by the donor and the money will be spent on the relevant project.

The pension reserve represents the Local Government Pension Scheme (LGPS) deficit which has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised. The pension liability has not crystallised and the trustees do not need to designate any of their existing funds to meet future pension commitments. Parliament, at the request of the Secretary of State for Education, has guaranteed that in the event of academy closure, outstanding LGPS liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

**Fixed asset funds**

Other capital grants represents funds given to the Trust through donations for specific capital purposes which were unspent at 31 August 2019.

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

Capital from GAG and other funds represents amounts spent on fixed assets from the GAG funding received from the ESFA.

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

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

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**18. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
The Henry Box School	1,076,576	852,251
Finstock C.E. Primary School	25,813	26,197
Queen Emma's Primary School	75,989	54,622
Central Costs	(886)	4,117
Total before fixed asset funds and pension reserve	1,177,492	937,187
Restricted fixed asset fund	22,320,503	22,721,538
Pension reserve	(4,571,000)	(3,043,000)
<b>Total</b>	<b>18,926,995</b>	<b>20,615,725</b>

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
The Henry Box School	3,857,651	682,187	412,044	467,970	5,419,852
Finstock C.E Primary School	300,881	28,329	14,873	49,457	393,540
Queen Emma's Primary School	732,350	138,047	42,869	125,574	1,038,840
Central Costs	134,269	329,366	1,870	146,224	611,729
LGPS pension finance cost	254,459	234,541	-	-	489,000
<b>Trust</b>	<b>5,279,610</b>	<b>1,412,470</b>	<b>471,656</b>	<b>789,225</b>	<b>7,952,961</b>

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**18. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	719,322	316,061	(229,967)	-	-	805,416
<b>Restricted funds</b>						
Donations	1,232	34,762	(33,499)	-	-	2,495
General Annual Grant (GAG)	-	7,454,339	(7,225,389)	(99,674)	-	129,276
Local Authority and other DfE/ESFA grants	-	156,530	(156,530)	-	-	-
Pension reserve	(3,552,000)	-	(401,000)	-	910,000	(3,043,000)
	<u>(3,550,768)</u>	<u>7,645,631</u>	<u>(7,816,418)</u>	<u>(99,674)</u>	<u>910,000</u>	<u>(2,911,229)</u>
<b>Restricted fixed asset funds</b>						
Other capital grants fund	281,548	410,960	(29,209)	-	-	663,299
DfE/ESFA capital grants	1,192,922	37,420	(86,254)	-	-	1,144,088
Capital from GAG and other funds	174,008	-	(134,640)	99,674	-	139,042
Assets transferred on conversion	21,158,910	-	(383,801)	-	-	20,775,109
	<u>22,807,388</u>	<u>448,380</u>	<u>(633,904)</u>	<u>99,674</u>	<u>-</u>	<u>22,721,538</u>
<b>Total Restricted funds</b>	<u>19,256,620</u>	<u>8,094,011</u>	<u>(8,450,322)</u>	<u>-</u>	<u>910,000</u>	<u>19,810,309</u>
<b>Total funds</b>	<u>19,975,942</u>	<u>8,410,072</u>	<u>(8,680,289)</u>	<u>-</u>	<u>910,000</u>	<u>20,615,725</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	(1)	-	22,535,685	22,535,684
Current assets	963,889	651,320	89,373	1,704,582
Creditors due within one year	(2,647)	(441,463)	(304,555)	(748,665)
Pension scheme liability	-	(4,571,000)	-	(4,571,000)
<b>Total</b>	<b>961,241</b>	<b>(4,361,143)</b>	<b>22,320,503</b>	<b>18,920,601</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	22,493,059	22,493,059
Current assets	929,203	595,479	235,661	1,760,343
Creditors due within one year	(123,787)	(463,708)	(7,182)	(594,677)
Pension scheme liability	-	(3,043,000)	-	(3,043,000)
<b>Total</b>	<b>805,416</b>	<b>(2,911,229)</b>	<b>22,721,538</b>	<b>20,615,725</b>

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**20. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(656,124)	(270,217)
<b>Adjustments for:</b>		
Depreciation	601,608	633,904
Interest receivable	(7,929)	(9,329)
Defined benefit pension scheme cost less contributions payable	489,000	401,000
(Increase)/decrease in debtors	(3,533)	690
Increase/(decrease) in creditors	153,988	(163,397)
<b>Net cash provided by operating activities</b>	<b>577,010</b>	<b>592,651</b>

**21. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	7,929	9,329
Purchase of tangible assets	(644,233)	(280,795)
<b>Net cash used in investing activities</b>	<b>(636,304)</b>	<b>(271,466)</b>

**22. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	1,478,152	1,537,446
<b>Total cash and cash equivalents</b>	<b>1,478,152</b>	<b>1,537,446</b>

**23. Capital commitments**

	2019 £	2018 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	142,055	93,832

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**24. Pension commitments**

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

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

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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**

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)
- 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%.

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

The employer's pension costs paid to TPS in the year amounted to £469,125 (2018 - £514,601).

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

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

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**24. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £346,464 (2018 - £320,833), of which employer's contributions totalled £298,847 (2018 - £275,630) and employees' contributions totalled £ 47,617 (2018 - £35,991). The agreed contribution rates for future years are 17.4 per cent for employers and 5.5-12.5 per cent for employees.

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

**Principal actuarial assumptions**

	2019 %	2018 %
Rate of increase in salaries	3.8	3.5
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.7	23.4
Females	24.3	25.5
<i>Retiring in 20 years</i>		
Males	24	25.7
Females	25.7	27.9

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	4,775	6,870
Discount rate -0.1%	4,367	6,566
Mortality assumption - 1 year increase	4,754	6,425
Mortality assumption - 1 year decrease	4,388	5,931



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**24. Pension commitments (continued)**

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,914,560	2,572,500
Gilts	887,040	624,750
Property	253,440	294,000
Cash and other liquid assets	168,960	183,750
<b>Total market value of assets</b>	<b>4,224,000</b>	<b>3,675,000</b>

The actual return on scheme assets was £146,000 (2018 - £231,000).

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

	2019 £	2018 £
Current service cost	(544,000)	(597,000)
Past service cost	(160,000)	-
Interest income	(196,000)	(182,000)
Interest cost	107,000	85,000
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(793,000)</b>	<b>(694,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>6,718,000</b>	<b>6,682,000</b>
Current service cost	544,000	597,000
Interest cost	196,000	182,000
Employee contributions	86,000	82,000
Actuarial losses/(gains)	1,155,000	(764,000)
Benefits paid	(64,000)	(61,000)
Past service costs	160,000	-
<b>At 31 August</b>	<b>8,795,000</b>	<b>6,718,000</b>

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**24. Pension commitments (continued)**

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

	2019 £	2018 £
At 1 September	3,675,000	3,130,000
Interest income	107,000	85,000
Actuarial gains	116,000	146,000
Employer contributions	304,000	293,000
Employee contributions	86,000	82,000
Benefits paid	(64,000)	(61,000)
At 31 August	<u>4,224,000</u>	<u>3,675,000</u>

**25. Operating lease commitments**

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

	2019 £	2018 £
Not later than 1 year	9,427	11,212
Later than 1 year and not later than 5 years	4,094	10,785
	<u>13,521</u>	<u>21,997</u>

**26. 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.

**27. Related party transactions**

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

A member of teaching staff is the son of one of the Trustees. The teacher is remunerated according to the standard Teacher Pay Grades as contained within the Trust's Pay Policy and the School Teachers' Pay and Conditions Document.