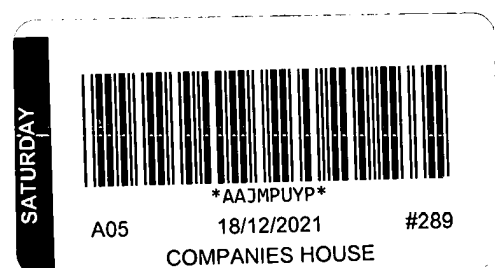


Company Registration Number: 08060721 (England & Wales)

THE MILL ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



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
Chair of the Trust Board (Prof. J West-Burnham)
The Oxford Diocesan Board of Education

Directors

W Hemmingsley, Chief Executive
G Joyner (resigned 7 July 2021)
N Moore, Vice Chair (resigned 2 October 2020)
C Mitchell
C Laing
J West-Burnham, Chair
C King
P Gardner
M Turkie (appointed 7 July 2021)

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

K Hex

Chief Executive

W Hemmingsley

Senior Management Team

W Hemmingsley, Chief Executive, Accounting Officer and Head teacher of The Henry Box School
V Musson, Director of Education and Head teacher of Queen Emma's Primary School
N Stretton, Chief Finance Officer
R Goddard, Deputy Head teacher of The Henry Box School
L Dixon, Head teacher of Finstock CE Primary School

THE MILL ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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

Internal Auditor

Bishop Fleming, 10 Temple Back, Bristol, BS1 6FL

THE MILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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 to 31 August 2021. 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 1,321 in the school census in October 2021.

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 omissions 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 2021

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 electronic copies (or links to shared areas) 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. The Trust-wide training day planned for 2021 was cancelled due to COVID restrictions on group meetings, a Trust-wide on-line training on Risk Management was delivered in 2021.

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 2020/21 the Education Standards and Performance Committee did not operate as a separate committee, with educational standards and performance matters being dealt with at full Board of Trustees meetings. During 2020/21 the Remuneration Committee had no business to discuss and therefore was not needed to sit and the Risk and Audit Committee was combined with the Finance and Resources Committee with business on risk and audit being considered as separate items on the committee agenda.

- 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 MILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 the Director of Education; and is supported by an Executive Assistant and the Headteachers (or Deputy 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.

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 Trust 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
2	2

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£473.24
Provide the total pay bill	£6,686,392
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
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Engagement with employees (including disabled persons)

The Trust is currently not statutorily required to report on its engagement with employees, however the Trustees report that all its school leaders work closely and inclusively with all employees. Staff wellbeing initiatives are in place for all staff when they need them and regular staff surveys are undertaken each year with both positive and negative feedback used to learn from and develop practices. Professional development for all staff is a key priority for the Trust and its Leaders and by working together within our family of schools we nurture and encourage our staff to grow and develop so they can take advantage of any career progression opportunities which arise. The Trustees are proud to report that The Henry Box School hold the Teacher Development Trust Gold Award.

We are an inclusive Trust and we welcome applications from all groups including those that are often under-represented in workforces including ethnicity, gender, transgender, age, disability, sexual orientation or religion.

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 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 2021 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 2021 were as follows:

Priority 1: Secure equity

Objectives

- 1.1 Close the gap for those that are disadvantaged
- 1.2 Continue to develop the Learner Engagement Team at The Henry Box School, including a Student Support Team and Family Support Team (Attendance, Provision, Early Help)
- 1.3 Working collaboratively, ensure professional development improves the quality of teaching
- 1.4 Increase leadership development across the Trust to recruit, retain and develop the best
- 1.5 Establish the distributed leadership model in our primary schools to increase capacity for further development of learner engagement strategies

THE MILL ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategies

- Address the 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
- Establish enhanced pathways for the most vulnerable in EYFS/KS1, KS2, KS3 and KS4
- Ensure the five pillars of Pivotal Practice underpin everything we do: reducing exclusions and increasing recognition, attendance and engagement

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

Priority 3: To ensure our curriculum is irresistible

Objectives

- 3.1 Continue to review our curriculum to ensure we achieve a consistent and coherent progression model
- 3.2 Increase subject expertise
- 3.3 Further develop teacher subject and pedagogical knowledge across the Trust

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
- Gap analysis to drive pre and post teaching in primary schools

Priority 4: To be research informed in all decision making

Objectives

- 4.1 Encourage teachers to be actively engaged in action research
- 4.2 Ensure all decisions are informed by research
- 4.3 All professional development is research informed

Strategies

- Launch voluntary research group
- Engage in high quality leadership development programmes, both internal and external

THE MILL ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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 Trust
- 5.4 Continue to have an inclusive Key Stage 4 curriculum ensuring less reliance on costly external providers
- 5.5 Shared resources across Trust and primaries to ensure viability of small primary

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. The COVID-19 pandemic and the related schools closure impacted the time physically in school by students and staff, thus limiting progress towards the Trust's priorities. Despite this notable achievements this year were:

- the ongoing Trust professional development programme;
- further development of the EEF informed approach to managing behaviour;
- significant increase in support for the most vulnerable students and families;
- the rigorous and efficient management of resources especially under the rapidly changing guidelines on health and safety and the speedy development of remote working for staff and remote learning for students;
- improved provision and outcomes for the most vulnerable KS4 students;
- provided high quality remote education across the Trust;
- provided and co-ordinated support for our most vulnerable families

Environmental factors to consider are the ongoing economic instability, caused by the COVID-19 pandemic, increasing inflation rates and cost of living. The unprecedented national spending related to the pandemic response and reductions in national economic forecasts has led to Government setting only single year departmental budgets and imposing pay freezes on public sector workers. The ongoing uncertainty about future national and local education budgets continue in the short term and affect our ability to forecast with accuracy the financial position into the medium term. The pandemic has also produced ongoing challenges around sustaining educational progress for our students who were affected by national lockdowns, increasing anxiety in families and mental health problems for both students and staff as they readjusted to a changed lifestyle.

The Trust schools participated fully in the schemes for the provision of laptops for disadvantaged students and shopping vouchers for free school meals and vulnerable students. The Henry Box School also ran a successful Summer School in 2021.

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.

THE MILL ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and Performance

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

The total number of pupils in Trust schools at the end of the period ended 31 August 2021 was 1,408 and was reduced to 1,321 at the October 2021 census date. The number of pupils in the primary schools is decreasing as the numbers leaving at year 6 are higher than the numbers arriving in reception, due to recent lower birth rates. Secondary numbers are expected to rise year on year in the medium term as the higher numbers entering year 7 start to exceed those leaving at year 11. The numbers at Finstock CE Primary school are especially low at 43, and have been reducing in recent years due to low numbers of young families in the catchment area.

The Trust is committed to continual improvement which is achieved in a number of ways, including quality assurance and research informed professional development.

Due to the COVID-19 restrictions, secondary school examinations were cancelled in 2021. Year 11 and Year 13 students received teacher assessed grades which had been verified by the Examinations Boards. The Henry Box School operated an appeal process in line with the guidelines laid down by the Examination Boards and the Department for Education (DfE) and received very few appeals.

The particular achievements and performance of the Trust during the period ended 31 August 2021 were as follows:

GCSE Results 2021

The Henry Box School

Number of Candidates	193
English & Maths 4+	69%
English & Maths 5+	49%
Average Attainment 8 Score	48.25
Progress 8 Measure	+0.35

GCE Results

	*A-B Grades	*A-C Grades	*A-E Grades
2021	69%	80%	100%
2020	64%	86%	100%
2019	51%	83%	100%
2018	58%	81%	99%
2017	54%	78%	98%
National			
2019	52%	76%	98%

Due to the COVID-19 school closure and restrictions, primary school assessments were cancelled and therefore no statutory assessment data is available to include. The DfE has confirmed that it will also not be publishing any national, regional, local or constituency statistics for any primary school assessments for the 2020 to 2021 academic year. This includes:

- early years foundation stage profile
- phonics
- key stage 1
- multiplication tables check
- key stage 2

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Educational progress in both Trust primary schools has been hindered by the national lockdown due to COVID-19. A significant proportion of children joining our primary schools in Reception in September 2021 are not school ready.

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

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

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

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 2021, the balance of the GAG Restricted Fund was £317,422, and the balance of unrestricted general funds is £1,161,633.

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 1,321 which is a decrease of 2.44% from the previous census.

As a result, the ratio of GAG funding per pupil was £5,189 for the period.

Staffing costs are another key performance indicator for the Trust and the percentage of total staff costs to Total Government funding for the period was 84.6%, while the percentage of staff costs to total costs was 75.66%.

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 2021

The COVID-19 national lockdown did not impact the Trust as a going concern with new expenditures in relation to enabling remote learning and keeping the workplaces COVID safe once reopened and loss of letting income were largely offset by savings on running costs such as lower supply teaching needs, lower exam fees and not needing to fill staffing vacancies urgently.

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 2021 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on its assets. The fixed assets held by the Trust are used exclusively for providing education and associated support services to the pupils of the Academy schools.

During the period ended 31 August 2021, the total expenditure of £8,837,452 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 £623,928 and pension reserve deficit of £493,000 total income for the period exceeded total expenditure by £335,995.

The balance of total funds held at 31 August 2021 was £17,479,513 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£365,056
Restricted Pension Liability Fund	(£5,540,000)
Restricted Fixed Asset Fund	£21,492,824
Unrestricted Funds	£1,161,633

The key financial policies reviewed during the period included 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 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 Finance and Resources Committee meetings and some key full Board of 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 2021

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 98.1% 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. Income from non-Government sources was reduced in the year due to the COVID-19 restrictions. The schools were unable to rent out their premises for large group community activities for period during the year and educational visits were also minimal and therefore trip related parental income was also reduced. This has resulted in the relative percentage of total income from Government sources staying steady at 98.1% in 2020/21.

During 2020/21, the Trust received grants totalling £165,701 relating to COVID-19 related expenditure and for COVID-19 recovery purposes.

Of the funding received £92,480 was the COVID Catch-Up Premium and £48,219 has been spent within the year and £44,261 carried forward for spending in 2021/22. The funding was spent on the following:

- software to enable home working for students and staff;
- IT equipment such as routers, dongles, webcams and headsets;
- resource packs for primary pupils to enable home working such as pens, paints, reading books and topic books;
- Subscriptions for online teaching resources in maths, spelling, grammar and writing.

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. Some adverse reporting of the local press and community social media has been and continues to be a risk to school reputations and is closely monitored.

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.

THE MILL ACADEMY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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. Recruitment of suitably qualified support staff has been difficult during 2020/21 as a result a number of vacancies have been unfilled for longer than normal. Responses to recruitment has been improving since the end of the Government furlough scheme.

Fraud and mismanagement of funds

The Trust has engaged its internal 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.

The COVID-19 restrictions did not impact the Trust in relation to internal controls and the management of funds. The Trust did not experience any fraudulent or deceptive attempts to obtain funds. Email scams are a regular occurrence but an escalation of these were not experienced during the pandemic.

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 £17,479,513 of which £1,161,633 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.

The COVID-19 restrictions did not impact the Trust's reserves. Trust Schools added to their reserves or were able to invest additional monies into their capital programmes over the 2021 Summer holiday period.

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.

Where cash flow allowed, sums have been invested on deposit for extended periods with the Trust's principal bankers.

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 MILL ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Trust's plans for future periods are:

- Ensure that all teaching across the Trust is of the highest quality and is research informed;
- The distributed leadership model enables improvement in teacher quality;
- 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.

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 4/12/2021 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 information that is described in the Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees have formally met seven times during the period ended 31 August 2021. Attendance during the period at meetings of the Board was as follows:

Trustee	Meetings attended	Out of a possible
J West-Burnham, Chair	7	7
W Hemmingsley, Chief Executive	7	7
P Gardner, Vice Chair	7	7
G Joyner	6	7
C King	4	7
C Mitchell	6	7
N Moore	0	0
C Laing	4	7
M Turkie	1	1

Finance and Resources Committee (incorporating Risk and Audit Committee)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C Mitchell, Chair	6	6
G Joyner	4	6
P Gardner	4	6
In attendance but not members of the Committee		
W Hemmingsley (Accounting Officer)	6	6
N Stretton (Chief Finance Officer)	6	6

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 MILL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Trust continues to identify areas of weakness or gaps on the Board, and actively uses the Academy Ambassadors programme to recruit to Trustee vacancies. During 2020/21 there have been some Trustee changes but the numbers of Trustees on the Board has been maintained for several years. In 2020/21 the Board operated with a Finance and Resources Committee which incorporated the Risk and 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 2021/22.

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 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 and school 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.

THE MILL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money (continued)

Trustees and school 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.

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 utilising a Finance and Resources Committee and employs a 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, at the Board and at the Finance and Resources Committee.

THE MILL ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money (continued)

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.

Monitoring of these areas for best value took place:

- Internal quality assurance 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 internal student/pupil performance data including statutory performance data;
- Through the analysis of ASP student performance data;
- Through the analysis of financial data;
- In stakeholder surveys

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 2021 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 period from incorporation to 31 August 2021 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 and/or its Committees;
- 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 appointed Bishop Fleming as its internal auditor for 2020/21 to ensure a separation of duties from the external auditor as required by the Academy Trust Handbook. The Finance and Resources Committee incorporated the responsibilities of the Risk and Audit Committee in 2020/21 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. Bishop Fleming delivered risk management training during the year to all Trustees, Senior staff and Local Committee Volunteers.

Bishop Fleming's role includes giving advice on financial matters, where requested, and performing a range of checks on the Trust's financial and non-financial systems to provide the Trustees with the assurance they need.

Bishop Fleming delivered their schedule of work over a programme of three separate audits during the year. These reports have been considered and management responses provided where appropriate by the Risk and Audit Committee, Trustees and Leadership in a timely manner. No significant weaknesses or discrepancies have been highlighted and the Trust has (or is in the process of) implemented the recommendations and/or good practice advice.


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 2021 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.

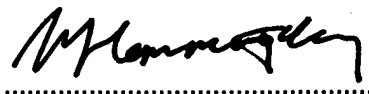
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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: 09/12/2021



W Hemmingsley
Accounting Officer:

Date: 09/12/2021

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 2020.

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 2020.

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: 09/12/2021

THE MILL ACADEMY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

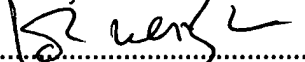
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:


.....

J West Burnham
Chair of the Board

Date: 09/12/2021.

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 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

THE MILL ACADEMY
(A company limited by guarantee)

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. 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.

THE MILL ACADEMY
(A company limited by guarantee)

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

MN Farwell

Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

Date: 17/12/2021

THE MILL ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 29 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 2020 to 31 August 2021 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
Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date:

17/12/2021

THE MILL ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	4	-	19,531	39,093	58,624	158,897
Charitable activities	5	-	7,869,228	-	7,869,228	7,565,284
Other trading activities	6	123,120	-	-	123,120	136,028
Investments	7	5,547	-	-	5,547	6,941
Total income		128,667	7,888,759	39,093	8,056,519	7,867,150
Expenditure on:						
Raising funds	8	350	-	-	350	350
Charitable activities	8	28,968	8,184,206	623,928	8,837,102	8,452,955
Total expenditure		29,318	8,184,206	623,928	8,837,452	8,453,305
Net income/(expenditure)		99,349	(295,447)	(584,835)	(780,933)	(586,155)
Transfers between funds	18	-	(10,974)	10,974	-	-
Net movement in funds before other recognised gains/(losses)		99,349	(306,421)	(573,861)	(780,933)	(586,155)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(623,000)	-	(623,000)	549,000
Net movement in funds		99,349	(929,421)	(573,861)	(1,403,933)	(37,155)
Reconciliation of funds:						
Total funds brought forward		1,062,284	(4,245,523)	22,066,685	18,883,446	18,920,601
Net movement in funds		99,349	(929,421)	(573,861)	(1,403,933)	(37,155)
Total funds carried forward		1,161,633	(5,174,944)	21,492,824	17,479,513	18,883,446

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

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

BALANCE SHEET
AS AT 31 AUGUST 2021

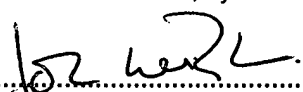
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	21,917,008	22,339,212
		<u>21,917,008</u>	<u>22,339,212</u>
Current assets			
Debtors	16	153,672	147,744
Cash at bank and in hand		1,565,019	1,443,818
		<u>1,718,691</u>	<u>1,591,562</u>
Creditors: amounts falling due within one year	17	(616,186)	(623,328)
Net current assets		<u>1,102,505</u>	<u>968,234</u>
Total assets less current liabilities		<u>23,019,513</u>	<u>23,307,446</u>
Net assets excluding pension liability		<u>23,019,513</u>	<u>23,307,446</u>
Defined benefit pension scheme liability	24	(5,540,000)	(4,424,000)
Total net assets		<u><u>17,479,513</u></u>	<u><u>18,883,446</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	21,492,824	22,066,685
Restricted income funds	18	365,056	178,477
		<hr/>	<hr/>
Restricted funds excluding pension asset	18	21,857,880	22,245,162
Pension reserve	18	(5,540,000)	(4,424,000)
		<hr/>	<hr/>
Total restricted funds	18	16,317,880	17,821,162
Unrestricted income funds	18	1,161,633	1,062,284
		<hr/>	<hr/>
Total funds		17,479,513	18,883,446

The financial statements on pages 28 to 61 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



J West-Burnham
 (Chair of the Board)
 Date: 09/12/2021

The notes on pages 32 to 61 form part of these financial statements.

THE MILL ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	317,378	385,105
Cash flows from investing activities	21	(196,177)	(419,439)
Change in cash and cash equivalents in the year		121,201	(34,334)
Cash and cash equivalents at the beginning of the year		1,443,818	1,478,152
Cash and cash equivalents at the end of the year	22, 23	<u>1,565,019</u>	<u>1,443,818</u>

The notes on pages 32 to 61 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 2021

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 2020 to 2021 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.

THE MILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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	- 12.5% 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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

THE MILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2020 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

THE MILL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Income from donations and capital grants

	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations and other voluntary income	19,531	5,000	24,531	13,062
Capital grants	-	34,093	34,093	145,835
Total 2021	19,531	39,093	58,624	158,897
Total 2020	13,062	145,835	158,897	

5. Funding for the Academy's educational activities

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	6,854,819	6,854,819	6,749,491
Other DfE/ESFA grants			
Pupil Premium	265,159	265,159	286,326
Universal Infant Free School Meals	26,232	26,232	25,268
Primary PE and Sport Premium	34,480	34,480	34,680
COVID-19 Catch Up Premium	92,480	92,480	-
COVID-19 Mass Testing Funding	32,030	32,030	-
COVID-19 FSM Additional costs	9,960	9,960	-
Other DfE/ESFA grants	353,480	353,480	363,445
Local authority			
COVID-19 Winter Support Grant for FSM	31,231	31,231	-
Early Years Funding	7,423	7,423	12,148
High Needs Funding	123,689	123,689	73,180
Other Local Authority Funding	38,245	38,245	20,746
	-	7,869,228	7,565,284
	7,869,228	7,869,228	7,565,284
Total 2020	7,565,284	7,565,284	

THE MILL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Funding for the Academy's educational activities (continued)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy received £92,480 of funding for catch-up premium and costs incurred in respect of this funding totalled £48,219 with £44,261 carried forward to next year.

6. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	18,896	-	18,896	19,300
Lettings income	15,042	-	15,042	25,347
Income from other educational activities	89,182	-	89,182	91,381
	<u>123,120</u>	<u>-</u>	<u>123,120</u>	<u>136,028</u>
Total 2020	<u>130,170</u>	<u>5,858</u>	<u>136,028</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest income	5,547	5,547	6,941
Total 2020	<u>6,941</u>	<u>6,941</u>	

THE MILL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on fundraising trading activities:	-	-	350	350	350
Activities:					
Direct costs	5,705,090	-	55,211	5,760,301	5,469,914
Support costs	1,027,413	878,514	1,170,874	3,076,801	2,983,041
Total 2021	6,732,503	878,514	1,226,435	8,837,452	8,453,305
Total 2020	6,154,569	839,054	1,459,682	8,453,305	

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Direct costs - educational operations	5,760,301	3,076,801	8,837,102	8,452,955
Total 2021	5,760,301	3,076,801	8,837,102	8,452,955
Total 2020	5,469,914	2,983,041	8,452,955	

THE MILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	79,000	79,000	85,000
Staff costs	5,268,320	5,268,320	5,052,172
Technology	17,696	17,696	11,764
Educational supplies	84,308	84,308	62,179
Examination fees	76,756	76,756	77,164
Staff development	17,954	17,954	20,227
Educational consultancy	35,319	35,319	42,555
Severance payments	14,550	14,550	10,500
Other direct costs	166,398	166,398	108,353
	<u>5,760,301</u>	<u>5,760,301</u>	<u>5,469,914</u>
Total 2020	<u>5,469,914</u>	<u>5,469,914</u>	

THE MILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	1,418,072	1,418,072	1,314,079
Depreciation	623,928	623,928	622,852
Technology costs	126,938	126,938	142,037
Recruitment and support	13,800	13,800	49,846
Maintenance of premises	202,465	202,465	142,065
Maintenance of equipment	38,321	38,321	24,833
Cleaning	54,476	54,476	37,072
Rent and rates	74,689	74,689	95,758
Energy	128,228	128,228	128,031
Insurance	40,633	40,633	45,408
Security	7,931	7,931	3,896
Transport	5,850	5,850	4,398
Catering	133,706	133,706	89,658
Bank interest and charges	66	66	857
Travel and subsistence	1,461	1,461	2,951
Agency costs	22,756	22,756	86,785
Legal and professional	54,384	54,384	48,918
Apprenticeship levy	8,805	8,805	8,033
Other support costs	120,292	120,292	135,564
	<u>3,076,801</u>	<u>3,076,801</u>	<u>2,983,041</u>
Total 2020	<u>2,983,041</u>	<u>2,983,041</u>	

THE MILL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	7,768	11,943
Depreciation of tangible fixed assets	623,928	622,852
Fees paid to auditor for:		
- audit	10,500	10,250
- other services	1,786	1,743
	<u>10,500</u>	<u>10,250</u>
	<u>1,786</u>	<u>1,743</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,758,540	4,596,810
Social security costs	439,176	422,842
Pension costs	1,488,676	1,346,599
	<u>6,686,392</u>	<u>6,366,251</u>
Apprenticeship levy	8,805	8,033
Staff restructuring costs (redundancy and severance payments)	14,550	10,500
Supply teacher costs	22,756	86,785
	<u>6,732,503</u>	<u>6,471,569</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,250 (2020: £nil).

THE MILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff (continued)

c. Staff numbers

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

	2021	2020
	No.	No.
Teachers	88	94
Administration and support	97	92
Management	5	10
	190	196

The average headcount expressed as full-time equivalents was:

	2021	2020
	No.	No.
Teachers	70	69
Administration and support	67	63
Management	5	7
	142	139

THE MILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff (continued)

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	3	2
In the band £100,001 - £110,000	1	1
	<u> </u>	<u> </u>

Some of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these staff members amounted to £60,579 (2020: £59,692).

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £512,017 (2020 £594,691).

THE MILL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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
- Facilities and Business Management

The Trust's Central Services annual budget is recharged 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 school. The Trust does not use a flat % top-slice and does not budget to build a reserve of central funds, as the Trust believes that funds are better utilised within the academies themselves.

In 2020/21 the Central Services budget was underspent and therefore an unintentional surplus on the central fund has arisen, the recharges to the schools in future years will be adjusted to redistribute this surplus.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
The Henry Box School	632,708	588,250
Finstock C.E. Primary School	65,508	65,998
Queen Emma's Primary School	141,299	150,173
Total	839,515	804,421

THE MILL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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:

		2021	2020
		£	£
Ms Hemmingsley	Remuneration	105,000 -	100,000 -
		110,000	105,000
	Pension contributions paid	25,000 -	20,000 -
		30,000	25,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £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 2021 was £1,519 (2020 - £2,128). The cost of this insurance is included in the total insurance cost.

THE MILL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	25,490,695	215,706	936,740	15,175	26,658,316
Additions	43,679	42,013	116,032	-	201,724
At 31 August 2021	<u>25,534,374</u>	<u>257,719</u>	<u>1,052,772</u>	<u>15,175</u>	<u>26,860,040</u>
Depreciation					
At 1 September 2020	3,372,904	169,861	762,920	13,419	4,319,104
Charge for the year	505,013	26,361	91,798	756	623,928
At 31 August 2021	<u>3,877,917</u>	<u>196,222</u>	<u>854,718</u>	<u>14,175</u>	<u>4,943,032</u>
Net book value					
At 31 August 2021	<u>21,656,457</u>	<u>61,497</u>	<u>198,054</u>	<u>1,000</u>	<u>21,917,008</u>
At 31 August 2020	<u>22,117,791</u>	<u>45,845</u>	<u>173,820</u>	<u>1,756</u>	<u>22,339,212</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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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

	2021 £	2020 £
Due within one year		
Trade debtors	28,155	3,156
Other debtors	36,750	27,622
Prepayments and accrued income	88,767	116,966
	<u>153,672</u>	<u>147,744</u>

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17. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	212,241	152,036
Other taxation and social security	103,258	99,442
Other creditors	126,279	120,121
Accruals and deferred income	174,408	251,729
	<u>616,186</u>	<u>623,328</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	1,062,284	128,667	(29,318)	-	-	1,161,633
Restricted general funds						
General Annual Grant (GAG)	175,104	6,854,819	(6,701,527)	(10,974)	-	317,422
Pupil premium	-	265,159	(265,159)	-	-	-
Universal Infant Free School Meals	-	26,232	(26,232)	-	-	-
Primary PE and Support Premium	-	34,480	(34,480)	-	-	-
COVID-19 Catch Up Premium	-	92,480	(48,219)	-	-	44,261
COVID-19 Mass Testing Funding	-	32,030	(32,030)	-	-	-
COVID-19 FSM Additional costs	-	9,960	(9,960)	-	-	-
Other DfE/ESFA grants	-	353,480	(353,480)	-	-	-
Local authority - COVID-19 Winter Support Grant for FSM	-	31,231	(31,231)	-	-	-
Local authority - Early Years Funding	-	7,423	(7,423)	-	-	-
Local authority - High Needs Funding	-	123,689	(123,689)	-	-	-
Other Local Authority Funding	-	38,245	(38,245)	-	-	-
Donations	3,373	19,531	(19,531)	-	-	3,373
Pension reserve	(4,424,000)	-	(493,000)	-	(623,000)	(5,540,000)
	(4,245,523)	7,888,759	(8,184,206)	(10,974)	(623,000)	(5,174,944)

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18. Statement of funds (continued)

**Restricted fixed
asset funds**

Other capital grants fund	791,379	-	-	-	-	791,379
DfE/ESFA capital grants	1,257,570	34,093	(34,043)	-	-	1,257,620
Capital from GAG and other funds	127,134	-	-	10,974	-	138,108
Assets transferred on conversion	19,890,602	-	(589,885)	-	-	19,300,717
Donations	-	5,000	-	-	-	5,000
	<u>22,066,685</u>	<u>39,093</u>	<u>(623,928)</u>	<u>10,974</u>	<u>-</u>	<u>21,492,824</u>
Total Restricted funds	<u>17,821,162</u>	<u>7,927,852</u>	<u>(8,808,134)</u>	<u>-</u>	<u>(623,000)</u>	<u>16,317,880</u>
Total funds	<u><u>18,883,446</u></u>	<u><u>8,056,519</u></u>	<u><u>(8,837,452)</u></u>	<u><u>-</u></u>	<u><u>(623,000)</u></u>	<u><u>17,479,513</u></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 2021.

COVID-19 Catch Up Premium relates to a one-off universal catch-up premium for the 2020/21 academic year to support children and young people to catch up lost time after school closure. Other COVID-19 funding includes mass testing funding which was to support the additional costs incurred conducting on site testing.

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 2021.

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 or from unrestricted funds.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	961,241	137,111	(36,068)	-	-	1,062,284
Restricted funds						
General Annual Grant (GAG)	206,484	7,167,518	(6,975,699)	(223,199)	-	175,104
Pupil premium	-	286,327	(286,327)	-	-	-
Local Authority and other DfE/ESFA grants	-	117,297	(117,297)	-	-	-
Donations	3,373	13,062	(13,062)	-	-	3,373
Pension reserve	(4,571,000)	-	(402,000)	-	549,000	(4,424,000)
	<u>(4,361,143)</u>	<u>7,584,204</u>	<u>(7,794,385)</u>	<u>(223,199)</u>	<u>549,000</u>	<u>(4,245,523)</u>
Restricted fixed asset funds						
Other capital grants fund	719,718	110,665	(39,004)	-	-	791,379
DfE/ESFA capital grants	1,240,142	35,170	(17,742)	-	-	1,257,570
Capital from GAG and other funds	27,564	-	(123,629)	223,199	-	127,134
Assets transferred on conversion	20,333,079	-	(442,477)	-	-	19,890,602
	<u>22,320,503</u>	<u>145,835</u>	<u>(622,852)</u>	<u>223,199</u>	<u>-</u>	<u>22,066,685</u>
Total Restricted funds	<u>17,959,360</u>	<u>7,730,039</u>	<u>(8,417,237)</u>	<u>-</u>	<u>549,000</u>	<u>17,821,162</u>
Total funds	<u>18,920,601</u>	<u>7,867,150</u>	<u>(8,453,305)</u>	<u>-</u>	<u>549,000</u>	<u>18,883,446</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
The Henry Box School	1,256,023	1,100,783
Finstock C.E. Primary School	68,422	37,489
Queen Emma's Primary School	104,437	100,060
Central Costs	97,807	2,429
Total before fixed asset funds and pension reserve	1,526,689	1,240,761
Restricted fixed asset fund	21,492,824	22,066,685
Pension reserve	(5,540,000)	(4,424,000)
Total	17,479,513	18,883,446

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 2021 £	Total 2020 £
The Henry Box School	4,056,352	609,084	280,282	691,253	5,636,971	5,384,860
Finstock C.E Primary School	199,092	25,661	14,017	65,416	304,186	344,671
Queen Emma's Primary School	743,696	69,706	48,395	173,201	1,034,998	900,316
Central Costs	118,332	488,257	8,224	129,556	744,369	798,606
LGPS pension finance cost	179,064	313,936	-	-	493,000	402,000
Trust	5,296,536	1,506,644	350,918	1,059,426	8,213,524	7,830,453

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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 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	21,917,008	21,917,008
Current assets	1,161,633	557,058	-	1,718,691
Creditors due within one year	-	(192,002)	(424,184)	(616,186)
Pension scheme liability	-	(5,540,000)	-	(5,540,000)
Total	1,161,633	(5,174,944)	21,492,824	17,479,513

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	22,339,212	22,339,212
Current assets	1,071,481	505,858	14,223	1,591,562
Creditors due within one year	(9,197)	(327,381)	(286,750)	(623,328)
Pension scheme liability	-	(4,424,000)	-	(4,424,000)
Total	1,062,284	(4,245,523)	22,066,685	18,883,446

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of financial activities)	(780,933)	(586,155)
Adjustments for:		
Depreciation	623,928	622,852
Interest receivable	(5,547)	(6,941)
Defined benefit pension scheme cost less contributions payable	493,000	402,000
(Increase)/decrease in debtors	(5,928)	78,686
Decrease in creditors	(7,142)	(125,337)
Net cash provided by operating activities	317,378	385,105

21. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	5,547	6,941
Purchase of tangible assets	(201,724)	(426,380)
Net cash used in investing activities	(196,177)	(419,439)

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,565,019	1,443,818
Total cash and cash equivalents	1,565,019	1,443,818

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,443,818	121,201	1,565,019
	1,443,818	121,201	1,565,019

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £747,926 (2020 - £685,884).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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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**NOTES TO THE FINANCIAL STATEMENTS
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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 2021 was £427,194 (2020 - £343,715), of which employer's contributions totalled £330,000 (2020 - £301,000) and employees' contributions totalled £97,194 (2020 - £42,715). The agreed contribution rates for future years are 22.2 per cent for employers and 5.5-12.5 per cent for employees.

The LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

	2021	2020
	%	%
Rate of increase in salaries	2.9	2.3
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.65	1.7

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

	2021	2020
	Years	Years
Retiring today		
Males	22.4	22.2
Females	24.7	24.3
Retiring in 20 years		
Males	23.4	22.9
Females	26.3	25.6

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate +0.1%	5,589	4,624
Discount rate -0.1%	5,491	4,044
Mortality assumption - 1 year increase	5,762	4,414
Mortality assumption - 1 year decrease	5,318	4,074

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	4,297,920	3,194,800
Gilts	987,360	912,800
Property	406,560	273,840
Cash and other liquid assets	116,160	182,560
Total market value of assets	5,808,000	4,564,000

The actual return on scheme assets was £830,000 (2020 - £39,000).

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

	2021 £	2020 £
Current service cost	(744,000)	(609,000)
Past service cost	-	(9,000)
Interest income	(159,000)	(164,000)
Interest cost	80,000	79,000
Total amount recognised in the Statement of Financial Activities	(823,000)	(703,000)

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

	2021 £	2020 £
At 1 September	8,988,000	8,795,000
Current service cost	744,000	609,000
Interest cost	159,000	164,000
Employee contributions	90,000	82,000
Actuarial losses/(gains)	1,453,000	(588,000)
Benefits paid	(86,000)	(83,000)
Past service costs	-	9,000
At 31 August	11,348,000	8,988,000

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	4,564,000	4,224,000
Interest income	80,000	79,000
Actuarial gains/(losses)	830,000	(39,000)
Employer contributions	330,000	301,000
Employee contributions	90,000	82,000
Benefits paid	(86,000)	(83,000)
At 31 August	5,808,000	4,564,000

25. Operating lease commitments

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	7,831	9,448
Later than 1 year and not later than 5 years	4,777	10,928
	12,608	20,376

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 and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.