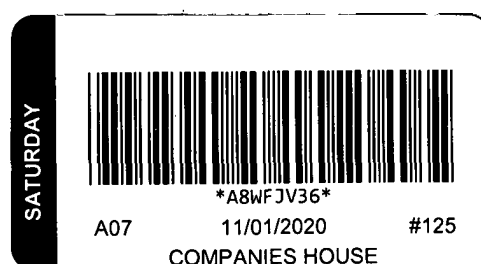


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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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



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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	<b>1 - 2</b>
<b>Governors' Report</b>	<b>3 - 10</b>
<b>Governance Statement</b>	<b>11 - 14</b>
<b>Statement on Regularity, Propriety and Compliance</b>	<b>15</b>
<b>Statement of Governors' Responsibilities</b>	<b>16</b>
<b>Independent Auditor's Report on the Financial Statements</b>	<b>17 - 20</b>
<b>Independent Reporting Accountant's Report on Regularity</b>	<b>21 - 22</b>
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	<b>23</b>
<b>Balance Sheet</b>	<b>24</b>
<b>Statement of Cash Flows</b>	<b>25</b>
<b>Notes to the Financial Statements</b>	<b>26 - 48</b>

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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>Members</b>	Mr James Strawbridge Mrs Tarnia Janisse Mr Matthew Cooke Mr David Dickinson Rev Owen Page
<b>Governors</b>	Mr James Strawbridge, Vice Chair Mrs Louise Butler (resigned 13 February 2019) Mr Jackson Njiiri Mrs Tarnia Janisse Mr Dominic Magner, Head Teacher and Accounting Officer Mr David Dickinson, Chair of Trustees Mr Matthew Cooke Mrs Sarah Hickling (appointed 7 March 2019) Mrs Sarah Walker-Jones (appointed 7 March 2019)
<b>Company registered number</b>	08163499
<b>Company name</b>	The Milford Academy
<b>Registered office</b>	The Milford Academy Dungannon Road Clifton Estate Nottingham Nottinghamshire NG11 9BT
<b>Company secretary</b>	Mrs Rachel Flynn
<b>Senior management team</b>	Dominic Magner, Headteacher Violet Grinnell, Deputy Headteacher Sally Simons, Head of Foundation Naomi Atamaniuk, KS1 Manager Helen Richardson, KS2 Manager Louise Butler, Achievement Manager Rachel Flynn, School Business Manager Naomi Atamaniuk, SENCO Sarah Walker-Jones, Lead Teacher

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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Independent auditor** Mazars LLP  
Chartered Accountants  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

**Bankers** Lloyds Bank  
Old Market Square  
Nottingham  
NG1 6FD

**Solicitors** Roythornes Limited  
Enterprise Way  
Pinchbeck  
Spalding  
Lincolnshire  
PE11 3YR

Freeths LLP  
Cumberland Court  
80 Mount Street  
Nottingham  
NG1 6HH

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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 servicing a catchment area on the Clifton Estate. It is working towards a pupil capacity on the main roll (Reception to Year 6) of 420 and has a current number on roll of 468 (January 2019 School Census), including the nursery.

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The governors of The Milford Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Milford Academy. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

**b. 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.

**c. Governors' indemnities**

For the Financial Year 2018-2019, the Governors have liability Insurance with RPA / Top Marks effective date 1st September 2018. There is unlimited professional indemnity.

**d. Method of recruitment and appointment or election of Governors**

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

Governors are generally elected via ballot of represented parties – i.e. all parents of pupils at school vote for the parent representative, staff for staff representative, etc. Community governors are co-opted by the governing body.

**e. Policies adopted for the induction and training of Governors**

All elected governors are initially inducted via meetings with the Headteacher and the Chair of Governors. All new governors are provided with induction training (generally sourced via Nottingham City LA Governors' section). Governors are provided with on going training throughout their role.

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

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**Structure, governance and management (continued)**

**f. Organisational structure**

The Milford Academy is led by the Head Teacher, Mr D Magner and in his absence, the Deputy Head Ms. V Grinnell. They are responsible for the day to day running of the Academy and ensuring that standards are maintained and improved in areas such as Pupil Progress and Attainment, Teaching Standards, Child Protection, Safeguarding, Health and Safety. They also ensure that the priorities of the School Development Plan, agreed with the Academy Board, are delivered, monitored and reviewed with the support of the SMT. They are also responsible alongside the Bursar for financial management and planning, ensuring the maintenance of an effective budget that delivers on all the requirements of a school while applying principles of financial prudence.

The Academy Board are responsible for agreeing any individual financial spend of over £10,000.00 and hold the Senior Managers to account for all the strategic decisions of the school, the progress and attainment of pupils, Child Protection and Safeguarding, Health and Safety and the Performance Management of all the staff including the Head Teacher.

The Accounting Officer role is to ensure that all financial regulations and requirements are met and that all Auditing Procedures are followed and any subsequent recommendations relating to these processes are acted upon with the appropriate timescale and reported to the Academy Board.

This is a larger than average sized primary school with 383 pupils in Reception to Yr. 6, a further 85 in Nursery and the 2 year old unit (January 2019). The school is popular with a good reputation locally supported by the most recent OFSTED inspection in June 2016 when the Academy was rated 'Good' The roll is steadily increasing with an anticipated move to two form entry throughout the Academy by 2019.

The school is managed by The Academy Board, made up of 3 parent governors, 3 staff governors increased to 4 during the Academic year, 1 community governor and 1 co opted Governor. There are 2 sub committees; Academy Business and Academy Development.

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

Arrangements for setting and remuneration of Key Management personnel have been delegated by the Academy Board to the Pay Sub Committee to include the Chair, David Dickinson, Matthew Cooke and Tarnia Janisse. They are in turn advised by the School Improvement Partner, Phil Unsworth, who is an external teacher and current Ofsted Inspector. Phil Unsworth will retire at the end of August 2019 and will be replaced by Emma Hollis

The performance of Key Management personnel is assessed against the following: Head Teacher standards, Teacher standards, the latest OFSTED inspection, external and financial advisory audits, attendance data, national and local data analysis measuring progress and attainment throughout the Academy.

**h. Related parties and other connected charities and organisations**

The Milford Academy is now part of the newly formed Nottingham Schools Trust but retains its independence and governance.

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

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**Structure, governance and management (continued)**

**i. Trade union facility time**

There were no relevant union officials during the relevant period and therefore no further information is provided in this report.

**Objectives and activities**

**a. Objects and aims**

The principal object and activity of the charitable company is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

In addition, to promote for the benefit of individuals living on The Clifton Estate and surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreating or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

In accordance with the articles of association, the charitable company has entered into a relevant funding agreement with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should be broad and balanced.

**b. Objectives, strategies and activities**

The main objects/aims of the trust during the period ended 31st August 2019 are summarised below:

1. Replace faulty pipework and as part of this renovation install new boilers and associated efficiencies.
2. Ensure adequate staffing in place throughout the Academy as it expands to a two form entry school.
3. Engage with a locally based school partnership.
4. Provide appropriate sun shade protection on the site for Health & Safety and to support Outdoor Learning.
5. Agree and implement our new whole school curriculum.
6. Achieve National Standards on all key indicators.
7. Ensure a high quality of infrastructure in all classrooms, including IT to achieve equality of opportunity for all pupils.
8. Work with the Local Authority to obtain the lease for the Busy Bees SureStart Nursery on site and adapt the building to enhance the wider curriculum work at the Academy.

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

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**Objectives and activities (continued)**

**c. Public benefit**

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commissions general guidelines in public benefit.

The Academy has been fully supportive of the developing Nottingham Schools Trust and has played a full part in ensuring funding from the now closed Nottingham Learning Trust has been transferred to support the work of the Nottingham Schools Trust for public benefit.

The Academy has supported Early Learning in the Community with its 2 year old Early Start Unit and site support of the Busy Bees Nursery until its' recent closure. It continues to support Community projects like the Primary Parliament, Clifton foodbank, Emmanuel House and other charitable organisations. The Academy works closely with Clifton Table Tennis Club to provide opportunities for children throughout the Clifton area to enhance their sporting skills, social skills and engagement in a healthy lifestyle. The Academy works in partnership with Nottingham University, Nottingham Trent University and the Nottingham Contemporary on teacher training, educational research and artistic projects. Our secondary schools have provided us with feedback to state that the vast majority of pupils leave the Academy "Secondary readers" and play a full part in raising Standards in the Secondary Sector.

**Achievements and performance**

**a. Achievements, Performance and Key Financial Performance Indicators**

Staffing costs for the Academy as a percentage of charitable activities income was 88% (2017: 81%).  
Agency staff costs as a percentage of total staff costs was 5.2% (2018: 1.9%).

The Academy was judged by OFSTED, (June 2016) as GOOD, supported by our own current Self Evaluation judgement of GOOD.

**2019 Results**

**EYFS 65% Good Level of Development**

KS1 – Year 1 Phonics	78%
KS1 – Year 2 Phonics	83%
Maths	70%
Reading	63.3%
Writing	57%

**Key Stage 2 Results**

Writing	75% (Aspirational Target 82%)
GPS	86% (Aspirational Target 86%)
Reading	55% (Aspirational Target 82%)
Maths	75% (Aspirational Target 80%)



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

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**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

After making appropriate enquiries, the board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

**Financial review**

**a. Reserves policy**

The Academy is fully aware of the need to invest in the education of the children currently at the Academy and the building infrastructure that accommodates them. Nevertheless it is recognised that prudent finance requires significant reserves to meet all our financial commitments (e.g. staffing costs) at the appropriate time, healthy cash flow and the ability to respond effectively to significant incident should one occur.

The aim of the Reserves Policy is to return reserves of 10% of total budget as evidenced at The Academy Board Finance committee meeting when an accurate carry forward figure can be calculated. This figure can of course vary but is nevertheless the stated aim of the Board. This figure remains the subject of review throughout the year as the Academy aims to meet all of its objectives. Currently there are no funds in deficit apart from the deficit of £1,793,000 which relates to the local government pension scheme. There are plans in place to manage this as per external actuary guidance.

Total unrestricted reserves are £199,657 (2018: £199,391). Total restricted general funds are £156,110 (2018: £358,403).

**b. Investment policy**

The Academy does not have any investments.

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

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**Strategic report (continued)**

**Financial review (continued)**

**c. Principal risks and uncertainties**

The principal risks for the Academy during the next few years are outlined below. These have been reviewed by the governors, and systems and procedures have been established to mitigate those risks.

Reductions or changes to National Funding

Staffing costs

Pupil numbers

Unanticipated building costs

Reputation of the Academy

Academy structural organisation

Paying for the maintenance and associated costs with the new adapted Milford Hub.

Succession planning for the future of the Academy.

The Milford Academy works every year to aim to achieve a 10% of total budget carry forward accompanied by robust financial scrutiny of all Academy expenditure.

Staffing costs are currently 69% (2018: 73%) of the total expenditure (before actuarial movements) and a remodelling of the workforce has taken place to ensure that staffing costs are affordable going forward.

Pupil numbers continue to rise towards the planned capacity of 420 without the need to employ additional teaching staff or build new classrooms to accommodate the anticipated new pupils.

Emergency building work has had to take place this year due to underground flooding in the Junior building. This work has been undertaken during this year and is ongoing and has rectified the emergency concern. Work is ongoing, however, the cost of this work has been underwritten by our Insurers.

Due to water egress in the Summer holidays in one of our Modular Buildings this building will have to be replaced in the immediate future. The cost of the removal and replacement of the Modular Building is anticipated to be in the region of £100k and the Academy is currently seeking clarification if any of this anticipated work will be covered by our Insurers.

Our latest OFSTED June 2016 was a very positive report and we continue to be rated as a 'GOOD' school. The Academy continues to be sustainable as a "stand –alone" Academy, while being an active participant of the Nottingham Schools Trust.

OFSTED June 2016 commended the activity and knowledge of the Board and their role in supporting the Academy to become outstanding.

Replacement pipework for the whole of Key Stage 2, was an "identifiable risk in the immediate future" as mentioned in last year's Trustee's Report. In June 2019 there was indeed a failure of this pipework, similar in nature to the failure of the year before in Key Stage 1 which led to emergency remedial building work, which was covered by insurance. This work is ongoing.

An Employment Tribunal case is ongoing. This is covered by insurance and is a manageable risk.

The Academy Board is working with the Senior Managers and Nottingham Schools Trust to ensure "Succession Planning" is in place for the shorter and longer term interests of the Academy.

Our OFSTED GOOD judgement of June 2016 is now a judgement that is over 2 years old. Due to an atypically

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

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**Strategic report (continued)**

**Financial review (continued)**

poor set of data from the 2019 Year 6 cohort, particularly in reading the Academy recognises the need to make a renewed commitment to school improvement in partnership with the Nottingham Schools Trust to demonstrate to external partners that the school was and still is a "Good" school. The Board will play a full role in monitoring the effectiveness of the School Development Plan 2019-20 alongside the Senior Leadership Team and the School Improvement Advisor with the clear intention of evidencing unequivocally that the Academy is a Good School and this will be evidenced by standards throughout school and improved SATs results in May 2020.

We are aware that the uncertainty currently surrounding Brexit could potentially impact our operations, service users and suppliers. We are reviewing and monitoring the impact of this on an ongoing basis.

**d. Financial review**

Our income for the year was £2,337,020 (2018: £2,324,597) with a deficit of £371,721 (2018: surplus of £40,263) before actuarial movements. The principal source of funding for the Academy is of course the GAG though the Academy has been able to source successfully significant additional funding to contribute to the infrastructure of the building. This is enabling the Academy to develop an energy efficient, sustainable and attractive modern environment for learning. The local community has confidence in the Academy demonstrated by the increasing number of pupils who attend every year. The Academy accounts are audited yearly by Mazars to ensure the Academy is meeting all financial regulations and requirements and spending its' funding in an efficient and effective manner. The Academy can demonstrate an improving infrastructure and rising standards of Progress and Attainment.

**Fundraising**

Funding for the operation and activities of the school is provided in the main by Government or other grants. There are minimal fundraising activities carried out and are minor in nature and carried out within the school community to raise funds for an activity within the school.

**Plans for future periods**

The implementation and delivery of our new and adapted Whole School Curriculum supported by the opening of The Milford Hub.

Our 2019 School Development Plan will be focussing our work on key priorities like Reading, Reasoning in Maths and Mental Health and Wellbeing to help the Academy narrow the gap to and where possible achieve National Standards on all key indicators.

Ongoing work with Nottingham Schools Trust on succession planning.

Improved parental engagement across school to develop a love of reading to help children be more successful in terms of attainment in the short term and in the longer term enjoy reading throughout their lives.

"Schools of Tomorrow" Arts Project Nottingham Contemporary

**Funds held as custodian on behalf of others**

There are no assets / arrangements for safe custody and segregation.

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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**Disclosure of information to auditor**

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governors 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 Governors' Report was approved by order of the board of Governors, as the company directors,  
on 18/12/2019 and signed on its behalf by:



Mr David Dickinson  
Chair of Governors

## **GOVERNANCE STATEMENT**

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### **Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that The Milford 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 Governors has delegated the day-to-day responsibility to the Head teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Milford Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of Governors has formally met 6 times during the year.

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

Governor	Meetings attended	Out of a possible
Mr James Strawbridge, Vice Chair	4	6
Mrs Louise Butler	2	3
Mr Jackson Njiiri	5	6
Mrs Tarnia Janisse	5	6
Mr Dominic Magner	5	6
Mr David Dickinson, Chair of Trustees	5	6
Mr Matthew Cooke	5	6
Mrs Sarah Hickling	3	3
Mrs Sarah Walker-Jones	3	3

Our last external review of Governance was carried out by the Governors section at Nottingham City Council in September 2015. This will be reviewed during 2018 – 2019 to ensure all areas of Governance are assessed as being sound and identifying areas of strength in terms of overall effectiveness.

The identified areas for development include the clear definition of key roles, a tighter schedule for the working year and the use of Key Performance indicators, targets and milestones against the development priorities.

The Board is considering if further expertise can be attracted while exploring local partnerships that can add value to the work of the Academy Board. Any formal changes to the current status of the Academy would of course have huge implications and careful due diligence about any change would be essential.

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The Finance and General Purposes Committee**

All members of the Governing Body would be members of this committee.

The committee has delegated authority as follows:

1. To assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.
2. To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis.

**Review of value for money**

As accounting officer, the Head teacher has responsibility for ensuring that the Academy 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 trusts' 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 Academy can demonstrate value for money in the last year by virtue of the very recent OFSTED report, (June 2016), which was good and noted the continued development of the Academy. The site, which was voted Best School Ground in Nottingham Schools, has recently been assessed as having a capacity for 420 pupils, which has been achieved through additional funding. Our progress by the end of KS2 is good while attainment is at or above national standards in writing, GPS, Maths and Reading.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Milford Academy for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework**

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

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Nottingham City Council, Internal Audit, to fulfil the role of reviewer.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Sample of purchase invoices ensuring value for money, order raised and authorisation
- A sample of income transactions ensuring adequate documentation, banking promptly and in full
- A sample of additional payments (staffing) ensuring authorisation
- Register of Pecuniary Interest is current

On an annual basis, the reviewer reports to the board of Governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

The Responsible Officer delivered their schedule of works.

**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

As accounting officer, the Head teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditor;
- the work of the executive managers within the Academy 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 finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Governors on 18/12/2019 and signed their behalf by:



**Mr David Dickinson**  
**Chair of Trustees**



**Mr Dominic Magner**  
**Accounting Officer**



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**THE MILFORD ACADEMY**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of The Milford Academy I have considered my responsibility to notify the Academy Trust board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



**Mr Dominic Magner**  
**Accounting Officer**

Date: 18/12/2019

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of Governors and signed on its behalf by:



**Mr David Dickinson**  
**Chair of Governors**

Date: 18/12/2019

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

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**Opinion**

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

In our opinion the financial statements:

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

**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 charitable company 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.

**The impact of uncertainties due to Britain exiting the European Union on our audit**

The Governors' view on the impact of Brexit is disclosed on page 9.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Academy Trust's operations, service users, suppliers and the wider economy.

We considered the impact of Brexit on the Academy Trust as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Academy Trust's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Academy Trust and this is particularly the case in relation to Brexit.

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

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**Conclusions relating to going concern**

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

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

**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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

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

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the incorporated 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 Governors' 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 Governors' Responsibilities Statement set out on page 16, the Governors (who are also the directors of the Academy 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 Governors 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 Governors are responsible for assessing the Academy 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 Governors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

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

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

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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**Use of the audit report**

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

*David Hoose*

David Hoose (Senior Statutory Auditor)  
for and on behalf of  
**Mazars LLP**  
Chartered Accountants  
Statutory Auditor  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: 18/12/19

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

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In accordance with the terms of our engagement letter dated 30 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Milford Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Milford Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Milford Academy's funding agreement with the Secretary of State for Education dated 27 July 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**Conclusion**

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

*Mazars LLP*

**Reporting Accountant**

**Mazars LLP**

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: *18/12/19*



**THE MILFORD ACADEMY**  
(A Company Limited by Guarantee)

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

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	-	-	24,765	24,765	102,349
Charitable activities	4	-	2,158,650	-	2,158,650	2,044,997
Other trading activities	5	-	153,339	-	153,339	177,049
Investments	6	266	-	-	266	202
<b>Total income</b>		<u>266</u>	<u>2,311,989</u>	<u>24,765</u>	<u>2,337,020</u>	<u>2,324,597</u>
<b>Expenditure on:</b>						
Raising funds	7	-	63,229	-	63,229	65,530
Charitable activities	7	-	2,508,760	136,752	2,645,512	2,218,804
<b>Total expenditure</b>		<u>-</u>	<u>2,571,989</u>	<u>136,752</u>	<u>2,708,741</u>	<u>2,284,334</u>
<b>Net income/ (expenditure)</b>		<u>266</u>	<u>(260,000)</u>	<u>(111,987)</u>	<u>(371,721)</u>	<u>40,263</u>
Transfers between funds	17	-	(91,293)	91,293	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>266</u>	<u>(351,293)</u>	<u>(20,694)</u>	<u>(371,721)</u>	<u>40,263</u>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	22	-	(313,000)	-	(313,000)	329,000
<b>Net movement in funds</b>		<u>266</u>	<u>(664,293)</u>	<u>(20,694)</u>	<u>(684,721)</u>	<u>369,263</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		199,391	(972,597)	3,887,737	3,114,531	2,745,268
Net movement in funds		266	(664,293)	(20,694)	(684,721)	369,263
<b>Total funds carried forward</b>		<u>199,657</u>	<u>(1,636,890)</u>	<u>3,867,043</u>	<u>2,429,810</u>	<u>3,114,531</u>

**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08163499**

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

		2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	3,867,043	3,887,737
		<u>3,867,043</u>	<u>3,887,737</u>
<b>Current assets</b>			
Debtors	14	65,906	84,561
Cash at bank and in hand		565,639	713,581
		<u>631,545</u>	<u>798,142</u>
Creditors: Amounts falling due within one year	15	(255,639)	(214,455)
<b>Net current assets</b>		<u>375,906</u>	<u>583,687</u>
<b>Total assets less current liabilities</b>		<u>4,242,949</u>	<u>4,471,424</u>
Creditors: Amounts falling due after more than one year	16	(20,139)	(25,893)
<b>Net assets excluding pension liability</b>		<u>4,222,810</u>	<u>4,445,531</u>
Defined benefit pension scheme liability	22	(1,793,000)	(1,331,000)
<b>Total net assets</b>		<u><u>2,429,810</u></u>	<u><u>3,114,531</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	3,867,043	3,887,737
Restricted income funds	17	156,110	358,403
		<u>4,023,153</u>	<u>4,246,140</u>
Restricted funds excluding pension liability	17		
Pension reserve	17	(1,793,000)	(1,331,000)
<b>Total restricted funds</b>	17	<u>2,230,153</u>	<u>2,915,140</u>
<b>Unrestricted income funds</b>	17	<u>199,657</u>	<u>199,391</u>
<b>Total funds</b>		<u><u>2,429,810</u></u>	<u><u>3,114,531</u></u>

The financial statements on pages 23 to 48 were approved by the Governors, and authorised for issue on their behalf by:

  
**Mr David Dickinson**  
**Chair of Governors**

Date: 18/12/2019

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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	<b>19</b>	(56,915)	265,988
<b>Cash flows from investing activities</b>	<b>20</b>	(91,027)	(138,354)
<b>Change in cash and cash equivalents in the year</b>		(147,942)	127,634
Cash and cash equivalents at the beginning of the year		713,581	585,947
<b>Cash and cash equivalents at the end of the year</b>	<b>21</b>	<u>565,639</u>	<u>713,581</u>

The notes on pages 26 to 48 form part of these financial statements.

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

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

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

**1.2 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 company 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

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**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the Academy 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.

- **Other income**

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**1.4 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 Academy 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 Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

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

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**1. Accounting policies (continued)**

**1.5 Taxation**

The Academy 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 Academy 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.

**1.6 Tangible fixed assets**

Assets costing £1,000 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 basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Leasehold land	- Over the term of the lease
Long-term leasehold building improvements	- 10% Straight line
Long-term leasehold property	- 2% Straight line
Furniture and equipment	-
Computer equipment	- 12.5% Straight line

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.

**1.7 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 Academy 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.

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

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**1. Accounting policies (continued)**

**1.8 Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.9 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 14. Prepayments are not financial instruments.

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 notes 15 and 16. 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.

**1.10 Operating leases**

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

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

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**1. Accounting policies (continued)**

**1.11 Pensions**

Retirement benefits to employees of the Academy 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 Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.12 Fund accounting**

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

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.



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

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**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The Academy 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Governors consider that there are no critical areas of judgement with the exception of the pension valuation noted above.

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

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Capital grants	24,765	24,765	102,349
<b>Total 2019</b>	<u>24,765</u>	<u>24,765</u>	<u>102,349</u>
<b>Total 2018</b>	<u>102,349</u>	<u>102,349</u>	

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

**4. Funding for the Academy Trust's educational operations**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	1,604,222	1,604,222	1,534,145
Other DfE Group Grants	276,524	276,524	263,126
	<u>1,880,746</u>	<u>1,880,746</u>	<u>1,797,271</u>
<b>Other government grants</b>			
Local authority grants	277,904	277,904	247,726
	<u>2,158,650</u>	<u>2,158,650</u>	<u>2,044,997</u>

In 2018, of the total educational operations income, £Nil was to unrestricted funds and £2,044,997 was to restricted funds.

**5. Income from other trading activities**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Academy trips	14,268	14,268	11,992
Income from other charitable activities	85,424	85,424	96,357
Income from ancillary trading activities	53,647	53,647	68,700
	<u>153,339</u>	<u>153,339</u>	<u>177,049</u>

In 2018, of the total income from other trading activities, £12,550 was to unrestricted funds and £164,499 was to restricted funds.

**THE MILFORD ACADEMY**  
(A Company Limited by Guarantee)

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

**6. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	266	266	202

In 2018, of the total income investment income, £202 was to unrestricted funds and £Nil was to restricted funds.

**7. Resources Expended**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Costs of activities for generating funds	-	-	63,229	63,229	65,530
Academy Trust's educational operations:					
Direct costs	1,433,644	64,477	38,348	1,536,469	1,333,396
Allocated support costs	459,897	335,739	313,407	1,109,043	885,408
<b>Total 2019</b>	<b>1,893,541</b>	<b>400,216</b>	<b>414,984</b>	<b>2,708,741</b>	<b>2,284,334</b>
<b>Total 2018</b>	<b>1,658,479</b>	<b>242,342</b>	<b>383,513</b>	<b>2,284,334</b>	

**8. Charitable Activities**

	Total 2019 £	Total 2018 £
Direct costs - educational operations	1,536,469	1,333,396
Support costs - educational operations	1,109,043	885,408
<b>Total</b>	<b>2,645,512</b>	<b>2,218,804</b>

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

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**8. Charitable Activities (continued)**

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>Support Costs</b>		
Support staff costs	459,897	429,723
Depreciation	72,275	57,016
Technology costs	9,624	6,566
Premises costs	335,739	177,865
Other support costs	166,525	149,937
Governance costs	64,983	64,301
<b>Total</b>	<b>1,109,043</b>	<b>885,408</b>

In 2018 of the total expenditure, £Nil was to unrestricted funds and £2,284,334 was to restricted funds and restricted fixed asset funds.

**9. Net Income/(Expenditure)**

This stated after charging:

	<b>2019 £</b>	<b>2018 £</b>
Depreciation of tangible assets: -owned by the charity	136,752	121,493
Auditors remuneration	6,400	6,220
Auditor remuneration - non-audit costs	3,090	3,978
Operating lease rentals	2,530	2,877

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

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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,332,155	1,195,150
Social security costs	113,068	99,004
Pension costs	349,359	333,163
	<u>1,794,582</u>	<u>1,627,317</u>
Agency staff costs	98,959	31,162
	<u>1,893,541</u>	<u>1,658,479</u>

**b. Staff numbers**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Teachers	15	13
Administration and support	57	55
Management	8	8
	<u>80</u>	<u>76</u>

**c. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

**d. Key management personnel**

The key management personnel of the academy comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy for the year ended 31 August 2019 totalled £442,316 (2018: £401,304).

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

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**11. Governors' remuneration and expenses**

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Governors 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 Governors' remuneration and other benefits was as follows:

		<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>
Mr Dominic Magner, Head Teacher and Accounting Officer	Remuneration	75 - 80	70 - 75
	Pension contributions paid	10 - 15	10 - 15
Mrs Louise Butler (resigned 13 February 2019)	Remuneration	20 - 25	30 - 35
	Pension contributions paid	0 - 5	5 - 10
Mrs Sarah Hickling (appointed 7 March 2019)	Remuneration	15 - 20	-
	Pension contributions paid	0 - 5	-
Mrs Sarah Walker-Jones (appointed 7 March 2019)	Remuneration	15 - 20	-
	Pension contributions paid	0 - 5	-

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

**12. Governors' and Officers' insurance**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides unlimited cover. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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

**13. Tangible fixed assets**

	Long-term leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	3,942,244	252,289	130,379	59,450	4,384,362
Additions	-	72,781	14,240	29,037	116,058
At 31 August 2019	3,942,244	325,070	144,619	88,487	4,500,420
<b>Depreciation</b>					
At 1 September 2018	349,086	40,637	65,371	41,531	496,625
Charge for the year	64,477	32,507	17,932	21,836	136,752
At 31 August 2019	413,563	73,144	83,303	63,367	633,377
<b>Net book value</b>					
At 31 August 2019	3,528,681	251,926	61,316	25,120	3,867,043
At 31 August 2018	3,593,158	211,652	65,008	17,919	3,887,737

**14. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
VAT Recoverable	22,562	29,471
Prepayments and accrued income	43,344	55,090
	65,906	84,561

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

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	16,891	-
Other taxation and social security	26,525	26,296
Other creditors	29,692	29,657
Accruals and deferred income	182,531	158,502
	<u>255,639</u>	<u>214,455</u>

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2018	54,809	48,165
Resources deferred during the year	61,199	54,809
Amounts released from previous periods	(54,809)	(48,165)
<b>Deferred income at 31 August 2019</b>	<u>61,199</u>	<u>54,809</u>

The deferred income at 31 August 2019 relates to:

- £33,904 UIFSM 2019/20
- £13,390 High needs 2019/20
- £13,905 Additional Inclusion Allowance 2019/20

**16. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Salix loan	<u>20,139</u>	<u>25,893</u>

The loan is repayable over 8 years and does not incur interest. The loan is unsecured.



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

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Unrestricted funds	199,391	266	-	-	-	199,657
<b>Restricted general funds</b>						
General Annual Grant	331,313	1,604,222	(1,718,685)	(91,293)	-	125,557
Pupil premium	27,090	175,413	(171,950)	-	-	30,553
Other grants and restricted income	-	532,354	(532,354)	-	-	-
Pension reserve	(1,331,000)	-	(149,000)	-	(313,000)	(1,793,000)
	<u>(972,597)</u>	<u>2,311,989</u>	<u>(2,571,989)</u>	<u>(91,293)</u>	<u>(313,000)</u>	<u>(1,636,890)</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversions	3,055,094	-	(54,594)	-	-	3,000,500
DfE Group capital grants	460,618	24,765	(45,450)	-	-	439,933
Capital expenditure from GAG	372,025	-	(36,708)	91,293	-	426,610
	<u>3,887,737</u>	<u>24,765</u>	<u>(136,752)</u>	<u>91,293</u>	<u>-</u>	<u>3,867,043</u>
<b>Total Restricted funds</b>	<u>2,915,140</u>	<u>2,336,754</u>	<u>(2,708,741)</u>	<u>-</u>	<u>(313,000)</u>	<u>2,230,153</u>
<b>Total funds</b>	<u><u>3,114,531</u></u>	<u><u>2,337,020</u></u>	<u><u>(2,708,741)</u></u>	<u><u>-</u></u>	<u><u>(313,000)</u></u>	<u><u>2,429,810</u></u>

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

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

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the movements on the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

The transfers relate to GAG funding used for capital expenditure.

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

**THE MILFORD ACADEMY**  
(A Company Limited by Guarantee)

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

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

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Unrestricted funds	186,639	12,752	-	-	-	199,391
<b>Restricted general funds</b>						
General Annual Grant	275,354	1,534,145	(1,339,630)	(138,556)	-	331,313
Pupil premium	30,950	183,745	(187,605)	-	-	27,090
Other grants and restricted income	-	491,606	(491,606)	-	-	-
Pension reserve	(1,516,000)	-	(144,000)	-	329,000	(1,331,000)
	<u>(1,209,696)</u>	<u>2,209,496</u>	<u>(2,162,841)</u>	<u>(138,556)</u>	<u>329,000</u>	<u>(972,597)</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversions	3,109,688	-	(54,594)	-	-	3,055,094
DfE Group capital grants	398,773	102,349	(40,504)	-	-	460,618
Capital expenditure from GAG	259,864	-	(26,395)	138,556	-	372,025
	<u>3,768,325</u>	<u>102,349</u>	<u>(121,493)</u>	<u>138,556</u>	<u>-</u>	<u>3,887,737</u>
<b>Total Restricted funds</b>	<u>2,558,629</u>	<u>2,311,845</u>	<u>(2,284,334)</u>	<u>-</u>	<u>329,000</u>	<u>2,915,140</u>
<b>Total funds</b>	<u>2,745,268</u>	<u>2,324,597</u>	<u>(2,284,334)</u>	<u>-</u>	<u>329,000</u>	<u>3,114,531</u>

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

**18. Analysis of net assets between funds**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,867,043	3,867,043
Current assets	199,657	431,888	-	631,545
Creditors due within one year	-	(255,639)	-	(255,639)
Creditors due in more than one year	-	(20,139)	-	(20,139)
Provisions for liabilities and charges	-	(1,793,000)	-	(1,793,000)
<b>Total</b>	<b>199,657</b>	<b>(1,636,890)</b>	<b>3,867,043</b>	<b>2,429,810</b>

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,887,737	3,887,737
Current assets	199,391	598,751	-	798,142
Creditors due within one year	-	(214,455)	-	(214,455)
Creditors due in more than one year	-	(25,893)	-	(25,893)
Provisions for liabilities and charges	-	(1,331,000)	-	(1,331,000)
<b>Total</b>	<b>199,391</b>	<b>(972,597)</b>	<b>3,887,737</b>	<b>3,114,531</b>

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

**19. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(371,721)	40,263
<b>Adjustments for:</b>		
Depreciation charges	136,752	121,493
Investment income	(266)	(202)
(Increase)/decrease in stocks	-	3,865
Decrease/(increase) in debtors	18,655	(19,188)
Increase in creditors	35,430	78,106
Capital grants from DfE and other capital income	(24,765)	(102,349)
Defined benefit pension scheme adjustment	149,000	144,000
<b>Net cash (used in)/provided by operating activities</b>	<b>(56,915)</b>	<b>265,988</b>

**20. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	266	202
Purchase of tangible fixed assets	(116,058)	(240,905)
Capital grants from DfE Group	24,765	102,349
<b>Net cash used in investing activities</b>	<b>(91,027)</b>	<b>(138,354)</b>

**21. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	565,639	713,581
<b>Total cash and cash equivalents</b>	<b>565,639</b>	<b>713,581</b>

**22. Pension commitments**

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

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

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**22. Pension commitments (continued)**

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

Contributions amounting to £23,938 were payable to the schemes at 31 August 2019 (2018 - £23,903) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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

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**22. Pension commitments (continued)**

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £118,174 (2018 - £104,508).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £109,000 (2018 - £108,000), of which employer's contributions totalled £83,000 (2018 - £82,000) and employees' contributions totalled £ 26,000 (2018 - £26,000). The agreed contribution rates for future years are 18.3% for employers and varying rates of 5.5% and 7.5% for employees.

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

**Principal actuarial assumptions**

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65

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

22. Pension commitments (continued)

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.7	22.7
Females	24.4	25.6
<i>Retiring in 20 years</i>		
Males	23.3	24.9
Females	26.2	28.0

Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	79	65
Discount rate -0.1%	(81)	(66)
Mortality assumption - 1 year increase	(130)	(100)
Mortality assumption - 1 year decrease	125	97
Salary increase rate +0.1%	(9)	(8)
Salary increase rate -0.1%	9	8

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

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	1,038,000	972,000
Gilts	54,000	42,000
Other bonds	143,000	158,000
Property	220,000	208,000
Cash	49,000	28,000
Other	160,000	101,000
<b>Total market value of assets</b>	<b>1,664,000</b>	<b>1,509,000</b>



**THE MILFORD ACADEMY**  
(A Company Limited by Guarantee)

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

**22. Pension commitments (continued)**

The actual return on scheme assets was £73,000 (2018 - £90,000).

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

	2019 £	2018 £
Current service cost	(167,000)	(186,000)
Past service cost	(30,000)	-
Interest income	41,000	36,000
Interest cost	(75,000)	(75,000)
Administrative expenses	(1,000)	(1,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(232,000)</b>	<b>(226,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>2,840,000</b>	<b>2,894,000</b>
Current service cost	167,000	186,000
Interest cost	75,000	75,000
Employee contributions	26,000	26,000
Actuarial losses/(gains)	345,000	(275,000)
Benefits paid	(26,000)	(66,000)
Past service costs	30,000	-
<b>At 31 August</b>	<b>3,457,000</b>	<b>2,840,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>1,509,000</b>	<b>1,378,000</b>
Interest income	41,000	36,000
Actuarial gains	32,000	54,000
Employer contributions	83,000	82,000
Employee contributions	26,000	26,000
Benefits paid	(26,000)	(66,000)
Admin expenses	(1,000)	(1,000)
<b>At 31 August</b>	<b>1,664,000</b>	<b>1,509,000</b>

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**THE MILFORD ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**23. Operating lease commitments**

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

	<b>Academy Trust 2019 £</b>	<b>Academy Trust 2018 £</b>
<b>Amounts payable:</b>		
Not later than 1 year	2,875	2,875
Later than 1 year and not later than 5 years	4,530	7,406
<b>Total</b>	<b>7,405</b>	<b>10,281</b>

**24. Members' liability**

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

**25. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.