
**MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY
TRUST**

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2014

THURSDAY



A3N0V5A9

A22

18/12/2014

#385

COMPANIES HOUSE

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Trustees' responsibilities statement	15
Independent auditors' report	16 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities	20
Balance sheet	21
Cash flow statement	22
Notes to the financial statements	23 - 43

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014**

Trustees

C Dark (appointed 20 January 2014)
J Davis
S Dix (resigned 22 May 2014)
Revd D Furness
K Harriman
M Heneghan (appointed 20 January 2014)
M Hill
C Hobby
S Matthews (resigned 4 April 2014)
G Newbery
A Rice
A Smith
S Towndrow
M Youngs

Members

J Davis
Revd D Furness
K Harriman
S Towndrow

All appointed on 16 July 2013 unless stated

Company registered number

08612061

Principal and registered office

Lymington Road
Milford-On-Sea
Lymington
Hampshire
SO41 0RF

Senior management team

M Hill, Headteacher (Interim)
J Thomas, Assistant Headteacher (Interim)
B Willis, Assistant Headteacher
L Walton, Year 5/6 Teacher

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014**

Administrative details (continued)

Independent auditors

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank Plc
39 High Street
Lymington
SO41 9ZF

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Milford-On-Sea Church of England Primary School Academy Trust (the Academy) for the period ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Milford-On-Sea Church of England Primary School Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the trustees 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. TRUSTEES' INDEMNITIES

In accordance with normal practice, the academy trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring while on academy trust business. Details of the costs can be found in note 12 to the accounts.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are appointed as follows:

Parent Trustees: Parent Trustees shall be elected by parents of registered pupils at the academy. A parent governor must be a parent of a pupil at the academy at the time when he/she is elected. The arrangements made for the election of a parent governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if preferred, by having the ballot paper returned to the academy trust by a registered pupil at the academy.

Where a vacancy for a parent governor is required to be filled by election, the governing body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

Staff Trustees: The head teacher shall be treated for all purposes as being an ex-officio governor. One additional staff member is appointed as trustee. All staff in employment at the time are formally notified and invited to nominate a staff member. In the event of Governors receiving more than one nomination, a ballot will be held to appoint one staff trustee.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Community Trustees: The Community Trustees may be appointed by the governing body provided that the person who is appointed as a community governor is a person who lives or works in the community served by the academy, or a person who, in the opinion of the governing body, is committed to the government and success of the academy. Community Trustees are elected by the board of Trustees.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new trustees will depend on their existing experience and is tailored to meet the needs of the individual. Where necessary induction will provide training on charity and educational legal and financial matters. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees.

f. ORGANISATIONAL STRUCTURE

Milford-on Sea Primary School has a management structure of a Governing Body and a Senior Leadership Team led by the Headteacher.

The Governing Body has overarching responsibility for the school, including:

- policy development and strategic planning, including target setting to keep up momentum on school improvement.
- ensuring sound management and administration of the school, and ensuring that managers are equipped with relevant skills and guidance.
- ensuring compliance with legal requirements.
- establishing and maintaining a transparent system of prudent and effective internal controls.
- management of the school's financial, human and other resources.
- monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon.
- helping the school to be responsive to the needs of parents and the community and making it more accountable through consultation and reporting.
- setting the school's standards of conduct and values.
- assessing and managing risk (including preparation of a statement on the school's risk management for its annual report and accounts).
- ensuring that bank accounts, financial systems and financial records are operated by more than one person;
- ensuring that all the school's property is under the control of the trustees.
- keeping full and accurate accounting records. and
- preparing accruals accounts giving a true and fair view of the school's incoming resources and application of resources during the year and of its state of affairs at the year end.

The executive powers of the Governing Body are delegated to the Headteacher as the Accounting Officer, unless specifically retained or otherwise set out in approved policies.

The board of trustees meets six times per annum and the Senior Management team meets on a weekly basis.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy Trust has a written agreement in place with Milford Pre-School Plus who lease premises from the trust. The Chair of Governors and Headteacher attend all Board meetings.

The academy maintains close connections with All Saints Church in Milford-on-Sea. This is an informal relationship with no agreements in place.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Objectives and Activities

a. OBJECTS AND AIMS

The vision of Milford-on-Sea Primary School is of a vibrant school at the heart of the local community. We will teach our pupils to become successful learners, responsible citizens, creative thinkers and reflective communicators.

Underpinned by our Christian ethos, we will make Milford-on-Sea Primary School a place of both excellence and enjoyment.

Qualities of a Milford Learner

Positive
Independent
Active
Adaptable
Tolerant
Determined
Resilient
Resourceful
Outward-looking
Caring

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Teaching & Learning

Objectives: To maintain high quality teaching and learning throughout the school.
Impact: Children progress and attain beyond national expectations.
Success Criteria: 100%+ of all lessons to be at least good
40% + of all lessons to be outstanding

Curriculum

Objectives: To ensure the school curriculum is vibrant, engaging and aspirational.
Impact: Focused learners enjoying their learning and extending their knowledge and experiences.
Success Criteria: Exciting learning that supports raised pupil progress and attainment above national expectation.

Assessment

Objectives: Ensure all assessment opportunities are used effectively to maximise pupil progress and attainment.
Implement APS as a means of measuring pupil progress in a more sophisticated and detailed manner.
Impact: Accurate assessment and ambitious pupil progress, accelerated where appropriate.
Success Criteria: Pupil Progress and attainment remain above national expectations.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Strategies for School Improvement

The school has recently undertaken an audit of its school improvement cycle and created new systems that ensure a more joined-up, systematic approach.

A new school improvement cycle has been produced and implemented. It encompasses the following elements starting with rigorous self-evaluation in the summer term:

1. School Evaluation form – July
2. School Improvement Plan – July-September
3. Performance Management cycle
4. Subject Development Plans
5. Interim Performance Management Reviews – February
6. End of Year Performance Management Reviews – July
7. End of year SIP review

This system is underpinned by the school's vision statement and linked to stakeholders and Governors.

c. PUBLIC BENEFIT

The academy trust promotes education for the benefit of the local community of Milford-on-Sea and surrounding areas.

The Governors, acting as trustees, confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the guidance issued by the Charities Commission on public benefit.

Strategic report

Achievements and performance

a. REVIEW OF ACTIVITIES

A whole school focus on improving attendance has meant an improving 3 year trend for end-of-year attendance data.

It is larger than average and has 317 pupils on roll. The school is one-and-a-half form entry with eleven classes in total. It is organised into two Reception classes, three mixed Year 1/2 classes, three mixed Year 3/4 classes and three mixed Year 5/6 classes. Pupils in Years 1-6 are taught in ability groups for mathematics and phonics/spelling. The school is currently oversubscribed and has waiting lists in all year groups.

Progress for all pupils from Key Stage 1 to Key Stage 2 has been above the national average for the past three years, significantly so in 2012 and 2013. The progress of pupils in receipt of Free School Meals also outperforms the national average, and significantly so in 2012 and 2013.

In the 2014 Y1 Phonics Screening Check, 91% of pupils met the expected standard compared to 74% nationally. Furthermore, all groups outperformed the national percentage. In 2013, 100% of pupils met the expected standard.

In 2014, attainment at Key Stage 1 was strong with pupils outperforming, often significantly, the national average in Reading, Writing and Mathematics. Average point scores in all subjects were also significantly above the national average.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

In 2014, attainment at Key Stage 2 was also strong. In Mathematics, pupils significantly outperformed the national average at L4+ and at L5+. They also outperformed the national average at L6. In Reading, pupils outperformed the national average with 100% attaining L4+ and 60% L5+. In Writing, 98% of pupils attained L4+, significantly above the national average. In EGPS, pupils outperformed the national average at L4+ and L5+ and significantly at L4b+.

Combined subject average points score at Key Stage 2 have been significantly above the national average for the past 4 years.

In Reading, 98% achieved expected progress from Key Stage 1 to Key Stage 2 compared to the national average of 91%. In Writing, 98% achieved expected progress from Key Stage 1 to Key Stage 2 compared to the national average of 93%. In Writing, 40% of pupils made more than expected progress compared to the national average of 33%.

In Maths, 98% achieved expected progress from Key Stage 1 to Key Stage 2 compared to the national average of 89%. In Maths, 45% of pupils made more than expected progress compared to the national average of 35%.

In Writing and Maths, the percentage of disadvantaged pupils making expected progress was above the national average.

In Reading, 100% of SEND pupils made expected progress.

The school's latest management partnership annual visit was in March 2014 and validated the quality of teaching as outstanding. In October 2014, the school commissioned an external review of EYFS which graded provision as good with many outstanding features.

The school was also externally moderated by the LA for end of KS1 assessment and end of KS2 assessment in writing. The practice in both Key Stages was found to be exemplary and praised by the respective moderation teams.

b. KEY PERFORMANCE INDICATORS

For the first full trading period the academy trust used the following financial KPI's:

• Revenue income per pupil	£3,948
• Staffing costs per pupil	£2,444
• Staffing costs as a percentage of total income	62%
• Other expenditure per pupil	£1,145
• Combined operating surplus or deficit as a percentage of total income	9%

The academy trust also uses a number of non-financial key performance indicators to monitor its performance. These include:

• Pupil attendance levels	95.7%
---------------------------	-------

c. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Financial review

The company was incorporated on 16th July 2013 and on 1st September 2013 the school's operations, assets and liabilities were transferred to the academy trust from the local authority.

a. REVIEW OF FINANCIAL POSITION

During the period Milford-on-Sea Primary School received income of £1,148,773 from the DfE in respect of the General Annual Grant and other revenue grants to fund the Academy's educational operations.

Voluntary income of £60,330 was received in respect of surplus on conversion.

The school generated its own funds for unrestricted use through rental of school premises to Milford Pre-School Plus. Income from this totalled £7,067.

Bank interest for the period amounted to £215.

Total income (excluding restricted pension reserve and fixed asset funds) amounted to £1,304,062. Expenditure (excluding restricted pension reserve and fixed asset funds) amounted to £1,130,708 in respect of operating Milford-On-Sea Primary school.

At the balance sheet date, the charitable company had unrestricted revenue reserves of £67,612, restricted revenue reserves of £86,110 and restricted fixed asset reserves of £4,240,335.

As at the balance sheet date there is a pension fund deficit of £200,000.

b. RESERVES POLICY

The Governors review and agree the reserve levels of the school annually as part of the budgeting process. The use of reserves is to provide funds to enhance the educational facilities and services, to provide ongoing maintenance of the school premises and infrastructure and to fund future capital projects.

c. INVESTMENT POLICY

There are no investments currently held and any surplus funds are held on the current account. This is reviewed termly.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The key financial risk is the continuing real-terms fall in school funding. The Governors oversee the implementation of the school's financial strategy to ensure the school's viability and efficiency into the long-term future.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Plans for future periods

a. FUTURE DEVELOPMENTS

Milford-on-Sea Primary School will continue to pursue its objectives and aims, and support the continuing success and development of its pupils, with a view to maintaining an OFSTED Outstanding rating.

Links with the local community will continue to be developed to support the school's vision of being at the heart of the community.

Plans for 2014-15 include resurfacing of the infant playground, swimming pool refurbishment, audio visual system for the hall, and extend paved area onto school field to create outdoor learning areas.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There were no arrangements where the Charity or the Trustees are acting as custodians.

DISCLOSURE OF INFORMATION TO AUDITORS

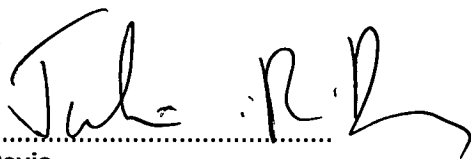
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that the Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Hopper Williams and Bell Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2014 and signed on the board's behalf by:


.....
J Davis
Chair of Trustees

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Milford-On-Sea Church of England Primary School Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the 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 Milford-On-Sea Church of England Primary School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Dark	4	4
J Davis	6	6
S Dix	2	5
Revd D Furness	4	6
K Harriman	5	6
M Heneghan	4	4
M Hill	6	6
C Hobby	4	6
S Matthews	3	4
G Newbery	4	6
A Rice	4	6
A Smith	3	6
S Towndrow	4	6
M Youngs	5	6
S Towndrow	0	0

Key changes in composition:

During the year there were two newly appointed trustees to the board and two resignations, one of which was the Headteacher, Sandra Matthews on 4th April 2014. Matthew Hill was appointed as Interim Headteacher with the plan to appoint a permanent placement in January 2015.

Any challenges that have arisen for the board have mainly surrounded the academy conversion process and the first year of its operations.

Governance reviews:

The Governing Body carried out a self-evaluation exercise on 1st July 2014, under the guidance of Hampshire Governor Services to assess the impact and effectiveness of the Board of Trustees.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The **Finance and Audit Committee** is a sub-committee of the main board of trustees. Their purpose is to advise and assist the Senior Leadership Team (SLT) and Governing Body on all matters relating to finance including monitoring expenditure, pay, budgeting and audit. Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
J Davis	5	6
K Harriman	6	6
M Hill	5	6
C Hobby	5	6
S Matthews	3	4
A Smith	5	6
S Towndrow	6	6
M Youngs	5	6

The **Personnel & Safeguarding Committee** is a sub-committee of the main board of trustees. Their purpose is to advise and assist the SLT and Governing Body on safeguarding, staffing and personnel issues. Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
J Davis	5	6
D Furness	6	6
M Hill	3	6
S Matthews	4	4
M Newbery	6	6
S Towndrow	5	6
M Youngs	5	6

The **Admissions, Pupil Welfare, Curriculum, Standards and Improvement Committee** is a sub-committee of the main board of trustees. Their purpose is to assist the SLT in ensuring effective delivery of the Curriculum and to monitor and review the School Improvement Plan and performance data. Also, to advise and assist the SLT and Governing Body on Pupil Welfare and admissions issues. Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
J Davis	5	5
S Dix	1	5
K Harriman	4	5
M Hill	5	5
S Matthews	2	3
M Newbery	5	5
S Towndrow	4	5
M Youngs	4	5

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The **Health & Safety, Buildings and Premises Committee** is a sub-committee of the main board of trustees. Their purpose is to advise and assist the SLT and Governing Body on matters relating to the maintenance, provision, development and safety of the School site and premises. Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
J Davis	5	6
K Harriman	6	6
M Hill	5	6
C Hobby	5	6
S Matthews	1	4
A Rice	4	6
A Smith	4	6
S Towndrow	6	6
M Youngs	5	6

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Milford-On-Sea Church of England Primary School Academy Trust for the period 16 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 16 July 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Audit 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 trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Hopper Williams & Bell Limited, the external auditors, to perform additional checks.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

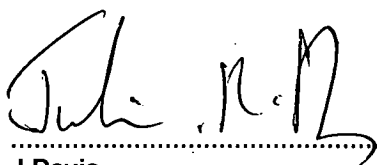
REVIEW OF EFFECTIVENESS

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

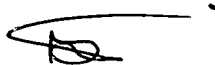
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit 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 trustees on 9 December 2014 and signed on its behalf, by:



J Davis
Chair of Trustees



.....
M Hill
Accounting Officer

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Milford-On-Sea Church of England Primary School Academy Trust I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



.....
M Hill
Accounting Officer

Date: 9 December 2014

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

The Trustees (who act as governors of Milford-On-Sea Church of England Primary School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

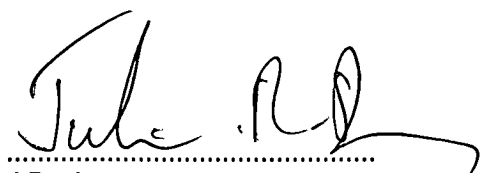
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume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

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

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

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

Approved by order of the members of the board of trustees on 9 December 2014 and signed on its behalf by:



J Davis
Chair of Trustees

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST

We have audited the financial statements of Milford-On-Sea Church of England Primary School Academy Trust for the period ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Hopper Williams & Bell Limited

Richard Hurst FCA (Senior statutory auditor)
for and on behalf of

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: *16 December 2014*

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 11 December 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Milford-On-Sea Church of England Primary School Academy Trust during the period 16 July 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Milford-On-Sea Church of England Primary School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Milford-On-Sea Church of England Primary School Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Milford-On-Sea Church of England Primary School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Milford-On-Sea Church of England Primary School Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2013, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 16 July 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the EFA;
- confirming whether EFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

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 period 16 July 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hopper Williams & Bell Limited

Richard Hurst FCA

Hopper Williams & Bell Limited

Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: 16 December 2014

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Transfer on conversion	2	60,330	(154,000)	4,265,874	4,172,204
Activities for generating funds	3	7,067	-	-	7,067
Investment income	4	215	-	-	215
Incoming resources from charitable activities	5	-	1,236,450	7,566	1,244,016
TOTAL INCOMING RESOURCES		67,612	1,082,450	4,273,440	5,423,502
RESOURCES EXPENDED					
Charitable activities	6	-	1,103,193	52,737	1,155,930
Governance costs	7	-	37,515	-	37,515
TOTAL RESOURCES EXPENDED	8	-	1,140,708	52,737	1,193,445
NET INCOMING / (OUTGOING)					
RESOURCES BEFORE TRANSFERS		67,612	(58,258)	4,220,703	4,230,057
Transfers between Funds	16	-	(19,632)	19,632	-
NET INCOME FOR THE PERIOD		67,612	(77,890)	4,240,335	4,230,057
Actuarial gains and losses on defined benefit pension schemes		-	(36,000)	-	(36,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		67,612	(113,890)	4,240,335	4,194,057
<i>Total funds at 16 July 2013</i>		<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		67,612	(113,890)	4,240,335	4,194,057

All of the Academy's activities derive from acquisitions in the current financial period.

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

The notes on pages 23 to 43 form part of these financial statements.

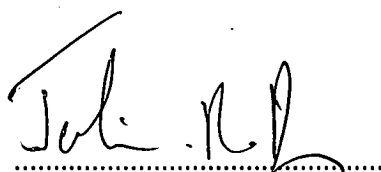
MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 08612061

**BALANCE SHEET
AS AT 31 AUGUST 2014**

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	13		4,240,335
CURRENT ASSETS			
Debtors	14	41,170	
Cash at bank		268,134	
		<u>309,304</u>	
CREDITORS: amounts falling due within one year	15	(155,582)	
NET CURRENT ASSETS			<u>153,722</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,394,057</u>
Defined benefit pension scheme liability	22	(200,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>4,194,057</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	16	86,110	
Restricted fixed asset funds	16	4,240,335	
		<u>4,326,445</u>	
Restricted funds excluding pension liability			
Pension reserve		(200,000)	
		<u>4,126,445</u>	
Total restricted funds			4,126,445
Unrestricted funds	16		<u>67,612</u>
TOTAL FUNDS			<u><u>4,194,057</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2014 and are signed on their behalf, by:



J Davis
Chair of Trustees

The notes on pages 23 to 43 form part of these financial statements.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

	Note	2014 £
Net cash flow from operating activities	18	227,221
Returns on investments and servicing of finance	19	215
Capital expenditure and financial investment	19	(19,632)
Cash transferred on conversion to an academy trust	21	60,330
INCREASE IN CASH IN THE PERIOD		268,134

All of the cash flows are derived from acquisitions in the current financial period.

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2014**

	2014 £
Increase in cash in the period	268,134
MOVEMENT IN NET FUNDS IN THE PERIOD	268,134
NET FUNDS AT 31 AUGUST 2014	268,134

The notes on pages 23 to 43 form part of these financial statements.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 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 Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	-	50 years - straight line
Fixtures and fittings	-	15% Straight Line
Computer equipment	-	3 years - straight line
Other fixed assets	-	10 years - straight line

1.7 Taxation

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

1.8 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Milford-On-Sea Church of England Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Milford-On-Sea Church of England Primary School Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 21.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Transfer on conversion	60,330	4,111,874	4,172,204
Voluntary income	60,330	4,111,874	4,172,204

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Lettings income	7,067	-	7,067

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Bank interest	215	-	215

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	1,080,611	1,080,611
DfE/EFA start up grants	-	25,000	25,000
DfE/EFA capital grants	-	7,566	7,566
DfE/EFA other grants	-	35,596	35,596
	-	1,148,773	1,148,773
Other government grants			
Local authority grants	-	5,706	5,706
	-	5,706	5,706
Other funding			
Trip income	-	6,402	6,402
Catering income	-	47,629	47,629
Other income	-	35,506	35,506
	-	89,537	89,537
	-	1,244,016	1,244,016

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

6. CHARITABLE ACTIVITIES

	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	562,132
National insurance	36,290
Pension cost	74,475
Technology costs	40,998
Educational supplies	15,841
Staff development	5,707
Educational consultancy	1,100
Trip expenditure	7,335
Other costs	33,497
	<u>777,375</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	77,719
National insurance	3,262
Pension cost	24,096
Depreciation	52,737
Technology costs	18,104
Recruitment & support	10,976
Maintenance of premises & equipment	45,757
Cleaning	25,544
Rent & rates	5,824
Energy costs	16,877
Insurance	16,292
Catering	50,408
Office costs	14,442
Net pension finance costs	2,000
Other costs	14,517
	<u>378,555</u>
	<u><u>1,155,930</u></u>

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

7. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Conversion costs	-	26,220	26,220
Auditors' remuneration	-	7,150	7,150
Auditors' remuneration - non audit	-	4,145	4,145
	<u>-</u>	<u>37,515</u>	<u>37,515</u>

8. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £
Direct costs	672,897	-	104,478	777,375
Support costs	105,077	151,954	121,524	378,555
Charitable activities	<u>777,974</u>	<u>151,954</u>	<u>226,002</u>	<u>1,155,930</u>
Governance	<u>-</u>	<u>-</u>	<u>37,515</u>	<u>37,515</u>
	<u>777,974</u>	<u>151,954</u>	<u>263,517</u>	<u>1,193,445</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £
Depreciation of tangible fixed assets:	
- owned by the charity	52,737
Auditors' remuneration	7,150
Auditors' remuneration - non-audit	<u>4,145</u>

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

10. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £
Wages and salaries	639,851
Social security costs	39,552
Other pension costs (Note 22)	98,571
	<hr/> 777,974 <hr/>

b. Staff numbers

The average number of persons employed by the Academy during the period expressed as full time equivalents was as follows:

	2014 No.
Teachers	11
Administration and support	10
Management	2
	<hr/> 23 <hr/>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in the period.

11. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	2014 £'000
M Hill	50-55
S Matthews (resigned 4 April 2014)	40-45
S Dix	5-10
Employer's pension contributions in respect of the above	10-15

During the period ended 31 August 2014, expenses totalling £442 were reimbursed to 4 Trustees.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2014 was £465. The cost of this insurance is included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost					
Additions	4,245,266	13,503	27,128	7,175	4,293,072
At 31 August 2014	4,245,266	13,503	27,128	7,175	4,293,072
Depreciation					
Charge for the period	41,865	1,508	9,043	321	52,737
At 31 August 2014	41,865	1,508	9,043	321	52,737
Net book value					
At 31 August 2014	4,203,401	11,995	18,085	6,854	4,240,335

Included in short-term leasehold property is land at valuation of £2,141,000 which is not depreciated.

14. DEBTORS

	2014 £
Trade debtors	1,080
Other debtors	18,852
Prepayments and accrued income	21,238
	<u>41,170</u>

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

15. CREDITORS:

Amounts falling due within one year

	2014
	£
Trade creditors	15,296
Other taxation and social security	13,712
Other creditors	12,248
Accruals and deferred income	114,326
	<hr/> 155,582 <hr/>

Deferred income

Resources deferred during the year	£
	<hr/> 48,493 <hr/>

Deferred income is comprised of UIFSM funding (£28,165) and trip income (£20,328), both of which relate to the forthcoming financial year.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General reserves	-	67,612	-	-	-	67,612
Restricted funds						
General Annual Grant (GAG)	-	1,080,611	(1,060,979)	(19,632)	-	-
DfE/EFA start up grant	-	25,000	(25,000)	-	-	-
Other DfE/EFA grants	-	35,596	(35,596)	-	-	-
Local authority grants	-	5,706	(5,706)	-	-	-
Other educational activities	-	89,537	(3,427)	-	-	86,110
Pension reserve	-	(154,000)	(10,000)	-	(36,000)	(200,000)
	-	1,082,450	(1,140,708)	(19,632)	(36,000)	(113,890)
Restricted fixed asset funds						
Fixed asset fund	-	4,261,118	(52,737)	31,954	-	4,240,335
Devolved formula capital	-	4,756	-	(4,756)	-	-
DfE/EFA capital grants	-	7,566	-	(7,566)	-	-
	-	4,273,440	(52,737)	19,632	-	4,240,335
Total restricted funds	-	5,355,890	(1,193,445)	-	(36,000)	4,126,445
Total of funds	-	5,423,502	(1,193,445)	-	(36,000)	4,194,057

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

General annual grant

This includes all funding received from the EFA to carry out the objectives of the academy. It includes the school budget share, minimum funding guarantee, education services grant, insurance, rates, and pre-16 high need funding.

Start up grant

This is funding received from the DfE to cover the one-off expenses associated with conversion to academy status.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

16. STATEMENT OF FUNDS (continued)

Other DfE/EFA grants

This is funding received from the EFA for specific purposes, for example pupil premium funding.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Other educational activities

This includes all other educational income/expenditure.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/EFA capital grants

This is money received from the DfE/EFA specifically for expenditure on tangible fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	67,612	-	-	-	67,612
Restricted funds	-	1,082,450	(1,140,708)	(19,632)	(36,000)	(113,890)
Restricted fixed asset funds	-	4,273,440	(52,737)	19,632	-	4,240,335
	-	5,423,502	(1,193,445)	-	(36,000)	4,194,057

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	-	4,240,335	4,240,335
Current assets	67,612	241,692	-	309,304
Creditors due within one year	-	(155,582)	-	(155,582)
Provisions for liabilities and charges	-	(200,000)	-	(200,000)
	<u>67,612</u>	<u>(113,890)</u>	<u>4,240,335</u>	<u>4,194,057</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £
Net incoming resources before revaluations	4,230,057
Returns on investments and servicing of finance	(215)
Depreciation of tangible fixed assets	52,737
Capital grants from DfE	(7,566)
Increase in debtors	(41,170)
Increase in creditors	155,582
Transfer on conversion - surplus	(60,330)
Transfer on conversion - tangible fixed assets	(4,265,874)
Transfer on conversion - pension deficit	154,000
FRS 17 adjustments	10,000
Net cash inflow from operations	<u><u>227,221</u></u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £
Returns on investments and servicing of finance	
Interest received	<u><u>215</u></u>

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(31,954)
Capital grants from DfE	7,566
Devolved formula capital on conversion	4,756
Net cash outflow capital expenditure	<u><u>(19,632)</u></u>

20. ANALYSIS OF CHANGES IN NET FUNDS

	16 July 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	-	268,134	-	268,134
Net funds	<u><u>-</u></u>	<u><u>268,134</u></u>	<u><u>-</u></u>	<u><u>268,134</u></u>

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

21. CONVERSION TO AN ACADEMY TRUST

On 1 September 2013 Milford-On-Sea Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Milford-On-Sea Church of England Primary School Academy Trust from Hampshire County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	4,224,000	4,224,000
- Other tangible fixed assets	-	-	37,118	37,118
Budget surplus/(deficit) on LA funds	60,330	-	-	60,330
Budget surplus/(deficit) on other school funds	-	-	4,756	4,756
LGPS pension surplus/(deficit)	-	(154,000)	-	(154,000)
Net assets/(liabilities)	60,330	(154,000)	4,265,874	4,172,204

The above net assets include £60,330 that was transferred as cash.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £10,288 were payable to the scheme at 31 August 2014 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' 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 actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £38,000, of which employer's contributions totalled £29,000 and employees' contributions totalled £9,000. The agreed contribution rates for future years are 13.1% for employers and between 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.

As described in note 21 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

22. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	7.50	192,000
Property	6.80	25,000
Government bonds	2.90	77,000
Corporate bonds	3.30	4,000
Cash	1.10	12,000
Other	7.50	10,000
Total market value of assets		<u>320,000</u>
Present value of scheme liabilities		<u>(520,000)</u>
(Deficit)/surplus in the scheme		<u><u>(200,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	2014 £
Present value of funded obligations	(520,000)
Fair value of scheme assets	<u>320,000</u>
Net liability	<u><u>(200,000)</u></u>

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

	2014 £
Current service cost	37,000
Interest cost	19,000
Expected return on assets	<u>(17,000)</u>
Total	<u><u>39,000</u></u>
Actual return on scheme assets	<u><u>30,000</u></u>

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

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

	2014 £
Contributions by scheme participants	9,000
Actuarial Losses	49,000
Current service costs	37,000
Interest cost	19,000
Liabilities assumed in a business combination	407,000
Benefits paid	(1,000)
	<hr/>
Closing defined benefit obligation	520,000
	<hr/>

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

	2014 £
Actuarial gains and (losses)	13,000
Expected return on assets	17,000
Contributions by employer	29,000
Contributions by employees	9,000
Assets acquired in a business combination	253,000
Benefits paid	(1,000)
	<hr/>
	320,000
	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £-36,000.

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

	2014
Equities	60.10 %
Property	7.70 %
Government bonds	24.00 %
Corporate bonds	1.40 %
Cash	3.70 %
Other	3.10 %

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

	2014
Discount rate for scheme liabilities	3.70 %
Rate of increase in salaries	3.60 %
Rate of increase for pensions in payment / inflation	2.10 %
Inflation assumption (CPI)	2.10 %
Commutation of pensions to lump sums	70.00 %

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

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:

	2014
Retiring today	
Males	24.4
Females	26.2
Retiring in 20 years	
Males	26.5
Females	28.5

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(520,000)
Scheme assets	320,000
Deficit	(200,000)
Experience adjustments on scheme liabilities	(49,000)
Experience adjustments on scheme assets	13,000

MILFORD-ON-SEA CHURCH OF ENGLAND PRIMARY SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

23. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	Other 2014 £
Expiry date:		
Within 1 year	-	9,253
Between 2 and 5 years	-	23,357
	<u> </u>	<u> </u>

24. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place during the period:

	2014 £
Milford Pre-School Plus (J Davis and M Hill are Trustees) - rent received	7,067
Solutions Water And Air Management Limited (K Harriman is a director) - purchases	253
	<u> </u>