

Milford-On-Sea Church of England Primary School
Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2019

Company Registration Number:
08612061 (England and Wales)



Milford-On-Sea Church of England Primary School Academy Trust

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Milford-On-Sea Church of England Primary School Academy Trust

Reference and Administrative Details

Members:

A Boyce (appointed 14 March 2019)
C Bryant (appointed 4 April 2019)
B Darley (appointed 4 September 2018)
D Furness
S Towndrow
M Youngs

Trustees:

C Bryant
K Crawford
D Cummings
D Furness
J Griffiths (resigned 4 April 2019)
D Heneghan (resigned 26 November 2018)
L Mabbett (appointed 4 April 2019)
A Mellor
J Miller
S Nineham (resigned 8 October 2019)
A Smith (appointed 25 September 2019)
A Tanner
S Towndrow (resigned 4 April 2019)
R Webb (appointed 6 October 2018, resigned 12 November 2019)
S Whittle
B Willis

Company Secretary

D Cummings

Senior Management Team:

K Crawford	Head Teacher
B Willis	Deputy Head Teacher
L Walton	Assistant Head Teacher
D Cummings	School Business Manager

Milford-On-Sea Church of England Primary School Academy Trust

Reference and Administrative Details

Company Name

Milford-On-Sea Church of England Primary School Academy Trust

Principal and Registered Office

Milford-On-Sea Church of England Primary School
Lymington Road
Milford-On-Sea
Lymington
Hampshire
SO41 0RF

Company Registration Number

08612061 (England and Wales)

Independent Auditor

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

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates a primary academy for pupils aged 4-11 serving a catchment area in Milford-on-Sea and Everton. It has a pupil capacity of 327 and had a roll of 309 in the school census on 5th October 2018.

Structure, Governance and Management

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. The charitable company operates as Milford-On-Sea Church of England Primary School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

In accordance with normal practice, the academy trust has entered into the Risk Protection Arrangement 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 the notes to the accounts.

Milford-On-Sea Church of England Primary School Academy Trust

Trustees' Report

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed as follows:

Parent Trustees: parents of registered pupils at the academy shall elect Parent Trustees. A parent trustee 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 trustee 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 trustee is 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/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. If there are no parents willing to stand for election, the trustees may appoint a parent with appropriate skills.

Staff Trustees: The Headteacher shall be treated for all purposes as being an ex officio trustee. Two additional staff members are appointed as trustees. All staff in employment at the time are formally notified and invited to nominate a staff member. In the event of Trustees receiving more than two nominations, a ballot will be held to appoint two staff trustees.

Community Trustees: the governing body may appoint the Community Trustees if the person who is appointed as a Community Trustee 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. The board of Trustees elects Community Trustees.

The Parochial Church Council (PCC) recommends Foundation Trustees to the Diocese of Winchester and Portsmouth who approve the appointment. It always includes the incumbent.

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.

Milford-On-Sea Church of England Primary School Academy Trust

Trustees' Report

Organisational Structure

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

The school has an experienced headteacher who started in February 2018. The senior leadership team is made up of the Deputy Headteacher (part time teaching responsibility), Assistant Headteacher (full-time teaching responsibility), SENCO (part-time) and Business Manager (full-time).

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 at least three times per annum and each sub-committee six times per annum and the Senior Leadership Team meets on a weekly basis.

Milford-On-Sea Church of England Primary School Academy Trust

Trustees' Report

Arrangements for setting pay and remuneration of key management personnel

All staff pay decisions are made through the Resources Committee. The Headteacher recommends any pay awards to the Resources Committee and in turn for final approval to the Full Governing Body.

A committee of trustees carries out the Headteachers performance management with external and independent advice sought.

Related Parties and other Connected Charities and Organisations

The Academy Trust has a written agreement in place with Milford Pre-School Plus, which leases premises from the trust. The Pre-School also uses the school grounds for forest school activities and have increased numbers in their after-school club by letting classrooms in the main school building.

The school has a strong relationship with the Milford-on-Sea Primary Parents and Friends Association who raise funds to enhance the school facilities.

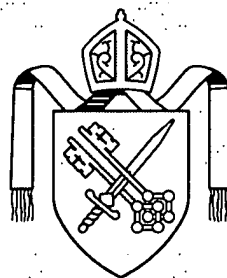
The Academy maintains close connections with All Saints Church in Milford-on-Sea. This is an informal relationship with no written agreement in place.

The school operates a Sister School Programme through a locally run charity called Freedom to Learn where pupils have regular contact with a school in Kushadevi, Nepal.

Objectives and Activities

Objects and Aims

MILFORD-ON-SEA C of E
PRIMARY SCHOOL



'We CARE'

Courage | Aspire | Respect | Explore

At Milford on Sea Primary School, we are **courageous** in our learning, **aspire** to be the best we can be, have **respect** for ourselves and others and have fun **exploring** the world around us.

Milford-On-Sea Church of England Primary School Academy Trust

Trustees' Report

Objectives, Strategies and Activities

In 2018/19, the school identified three focus points on the School Improvement Plan:

- 1) To improve outcomes across the school for key groups of pupils: disadvantaged pupils, SEND pupils and those with high prior attainment
- 2) To improve outcomes in writing across the school, especially for boys and SEN
- 3) Embed MOSPS new Values – We CARE

These points were evaluated throughout the year by the Senior Leadership Team and communicated to the whole school staff and governing body in order to support the implementation of the action points.

Effectiveness of Leadership and Management

The school has an effective and active Governing Body, which provides the key strategic decision-making body for the school. They set the school's strategic framework and ensure all statutory duties are met.

Leaders and trustees in the school have set high expectations for pupils and staff and relationships between staff and pupils is exemplary.

School leaders have a clear and ambitious vision for providing high quality education to all of our pupils through our We CARE values. We CARE was implemented in September 2018 after consultation and involvement from the whole school community. We CARE has brought together our shared values on curriculum, pedagogy, growth mindset, well-being, safeguarding and our Christian ethos. It is visible in our everyday practice, policy and language.

Leaders ensure that teachers receive focused and highly effective professional development. Continued Professional Development (CPD) is planned in line with the School Improvement Plan and is evaluated to ensure it leads to improved teaching practice. Staff are given the opportunity to reflect upon their teaching and plan their own performance management targets in line with the SIP, so they feel involved with their own professional development and have maximum impact upon school development. Monitoring, support and CPD consistently translates into improvements in the quality of teaching for all pupils and that of a broad and balanced curriculum. The Headteacher and Deputy Headteacher have had high quality leadership training through the Hampshire SLE.

Our leaders ensure that highly effective, meaningful engagement takes place with staff at all levels, and any issues are identified and freely discussed in a realistic and constructive manner

The governors of the school challenge senior leaders and ensure that the Pupil Premium, Sports Premium and SEND funding secures the very best outcomes.

Milford-On-Sea Church of England Primary School

Academy Trust

Trustees' Report

Objectives, Strategies and Activities (continued)

The schools budget is managed effectively to ensure stability and positive learning outcomes for pupils. Monthly management accounts are produced and presented to Trustees who effectively challenge the accounting officer on spending strategies.

Safeguarding is effective. All three Designated Safeguarding Leads (DSL) have had DSL refresher training and the whole school community has received full Child Protection Training from Hampshire Children's Services in November 2019. Staff are presented with a different safeguarding scenario each week during briefing and responses are discussed openly. Subjects include, child protection issues, radicalisation and extremism.

Quality of Teaching and Assessment

At MOSPS we offer a rich, exciting and balanced curriculum which builds on the knowledge, understanding and skills of all children, whatever their starting points, disadvantage or special educational need, as they progress through each Key Stage. It has been designed to blend the statutory requirements of the National Curriculum 2014 while embracing our school's 'We CARE' values. Across all parts of the school, series of lessons contribute well to delivering this intent through our exciting curricular topics and 'quality text drivers' that weave our Christian and global learning ethos into everyday learning.

Our teachers have good subject knowledge and monitoring has shown that teachers present subject matter clearly, promoting appropriate discussion about the subject matter being taught. Whenever teachers are teaching outside of their main area of expertise, leaders provide effective support and training.

Teachers use AFL effectively to inform next steps and differentiated challenge for groups of pupils is consistently used across the school, having been a priority in 2018/19. Monitoring has shown that teachers are skilled at checking pupils' understanding systematically, identifying misconceptions and providing clear developmental feedback in a variety of forms.

Early reading, especially phonics teaching, is highly effective. Our sequential and rigorous approach develops pupils' fluency, confidence and enjoyment in reading. All reading books are closely matched to the phonic knowledge pupils are taught. Reading attainment is assessed and gaps are addressed quickly and effectively for all pupils.

Assessment across the school is sound and staff regularly take part in joint school moderation events. 2019/20 will see the introduction of a new school data system 'DC Pro' to enable accurate tracking of pupil progress and attainment as well as decrease unnecessary teacher workload.

Milford-On-Sea Church of England Primary School

Academy Trust

Trustees' Report

Objectives, Strategies and Activities (continued)

After consultation with staff and parents, 2018/19 saw the implementation of a new online homework system, 'Education City', enabling teachers to set challenging tasks that are appropriate to the age and stage of learning. This consolidates learning, deepens understanding and prepares pupils for new topics. Feedback for the system is overwhelmingly positive from parents and pupils and has significantly decreased staff workload. All groups of pupils, including disadvantaged, use the homework system regularly and access to computers are available in lunchtime homework clubs.

Learning opportunities are encouraged outside of the classroom i.e. forest schools, eco-warriors, trips etc. and pupils have a high level of participation in extra-curricular activities. The teachers are all involved in providing a varied plan of an after-school activity.

Parents are well informed about their child's learning and how to support the school in improving progress. Parents speak highly of the teachers and curriculum at the school and feel pupils are well prepared for the next stage in their education.

The school runs an extensive Retired and Senior Volunteer Programme to support children with their reading. This is linked to a structured reading programme that encourages children to read for pleasure. The levelled books help move junior children on from phonics to become fluent, confident readers.

Personal Development, Behaviour and Welfare

All staff are committed to the development of physical, mental and emotional health and the pupils have an appropriate age related understanding of these concepts. A large percentage of pupils take part in a sports clubs and competitions. ELSA is offered to those children requiring emotional support and the school have embedded a growth mindset approach to learning.

The consistent implementation of the School's WE CARE values and Code of Conduct in 2018 has had a significant impact upon behaviour and attitudes in the school, which is now exceptional. The school has high expectations and low-level disruption is not tolerated. Lesson observations have shown a high level of pupil engagement and positive attitudes and commitment to learning.

The school delivers successful interventions and strategies such as individualised timetables, behaviour support plans and pupil profiles, ELSA and internal and external specialist support. Leaders support staff with appropriate training such as attachment/ASD, weekly briefings on individual plans and pupil well-being ensures all staff are committed and consistent in their approach.

Relationships between adults and pupils reflect our We CARE values. The school has a safe culture and there is evidence that there are rigorous safeguarding systems in place throughout the school. Pupils feel safe and know what to do if concerned about anything: class worry box, trusted adults and NSPCC workshops.

Milford-On-Sea Church of England Primary School

Academy Trust

Trustees' Report

Objectives, Strategies and Activities (continued)

Pupils have a good understanding of how to stay safe online. Students are proud of their school and they talk positively about their own and others safety.

Pupils have the opportunity to develop their spiritual self through the school's Christian ethos with an emphasis given to prayer and reflection.

The global learning and outdoor element of our curriculum has further developed our pupils' passion and commitment for learning by giving them a context and opportunity to make a tangible difference to their school, local and global community. Our pupils are proud of their school and their learning. They take pride in celebrating achievements, without reward.

Pupils have opportunity to lead and take on responsible roles in the school such as Play Leaders, Wild Play Leaders, Lunchtime Monitors, Librarians, Eco Warriors, School Council, and sister school ambassadors.

Effectiveness of Early Years and Foundation Stage

Outcomes for pupils in EYFS are excellent, with GLD consistently above national for the last three years. 2019 outcomes showed no significant areas of concern with regard to pupil groups, with boys being above national in all areas.

Quality early phonics ensures high phonics screening outcomes in Y1 (90%) and we have had results in the top 9% of primary schools for last two years.

Our EYFS curriculum provides no limits or barriers to the children's achievements, regardless of their backgrounds, circumstances or needs. 2018/19 saw the introduction of Speech and Language Link and Dyslexia screening for all pupils in Year R.

Those pupils not achieving GLD in 2018/19 were given targeted intervention with the EYFS team, while in Y1 (straight Y1 cohort – a change to class setups from previous years). This had a significant impact upon the well-being of the targeted pupils entering Y1 and all pupils made accelerated progress, achieving their Phonics Screening and EXS by the end of the year.

The successful implementation of 'challenge activities' in 2018 saw an increase in % of children achieving exceeding. This increase has continued in 2019 with an increase in Reading of 22% (from 20% to 42%) and Writing increase of 8% (from 9% to 17%).

Safeguarding is effective. A thorough audit of EYFS CP procedures and the introduction of an explicit EYFS Safeguarding Policy has ensured rigour and high levels of staff accountability. This is reviewed regularly and supervision put in place for staff.

Milford-On-Sea Church of England Primary School Academy Trust

Trustees' Report

Objectives, Strategies and Activities (continued)

Children have an excellent understanding of how to keep safe through the teaching of child-led risk assessment in forest schools, Plan Do Review Process, PE and outdoor activities.

The use of the assessment tool 'Tapestry' ensures high quality evidence and has increased parental involvement in the assessment process. Parental engagement is attributed to the use of newsletters, communication books, workshops and parental consultations – participation for these is high: 100% at the last consultation evening.

The 'Follow the Rainbow' cluster document ensures a positive transition into YR, along with home visits, open mornings and pre-school visits.

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

Milford-on-Sea CE Primary School has enjoyed many successes over the 2018/19 academic year.

We continue to celebrate pupil's efforts and achievements along the way in their learning journey. Most notably our sporting successes through the Priestlands School Partnership has helped us achieve the Gold School Games Mark in 2018/19 showing our commitment, engagement and delivery of competitive sport in school.

The school maintains a healthy waiting list and interest in the school. The presence in the local media increased and we conducted a series of open days during Autumn 2018 at differing times and days of the week to maximise interest. Parental visits during the year outside the open days have noticeably increased in number with many visits resulting in admission to the school.

Milford-On-Sea Church of England Primary School Academy Trust

Trustees' Report

Key Performance Indicators

KS2 Outcomes 2019:

Progress in reading, writing and maths

Reading

Number of pupils = 46

Pupils with adjusted scores = 0

Average 0.62

Confidence interval
-1.2 to 2.4

Writing

Number of pupils = 46

Pupils with adjusted scores = 0

Average -0.25

Confidence interval
-1.9 to 1.4

Maths

Number of pupils = 46

Pupils with adjusted scores = 1

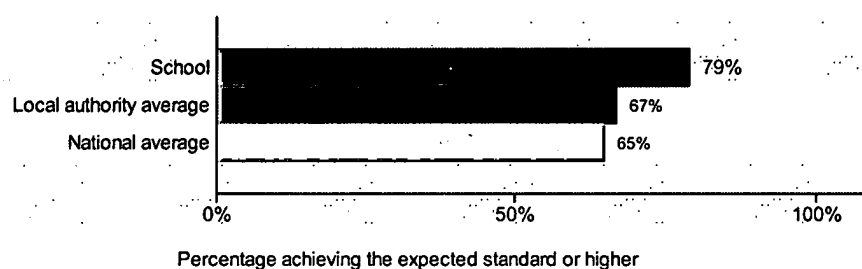
Average -1.48

Confidence interval
-3.0 to 0.1

Reading, writing and maths combined

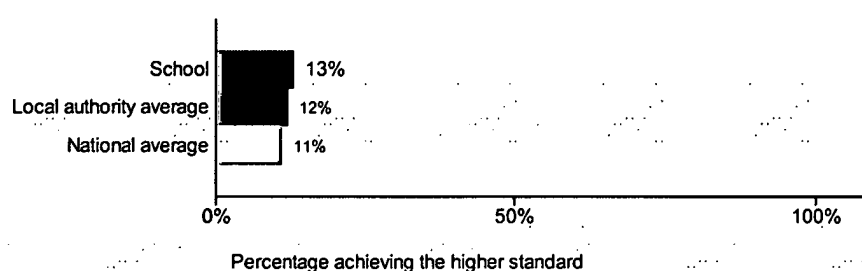
Percentage of pupils achieving the expected standard or higher

Number of pupils = 48



Percentage of pupils achieving the higher standard

Number of pupils = 48



Going Concern

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

Milford-On-Sea Church of England Primary School Academy Trust

Trustees' Report

Financial Review

During the year Milford on Sea Primary School received income of £1,208,171 (2018: £1,175,977) from the DfE in respect of the General Annual Grant and other revenue grants to fund the Academy's educational operations. The school generated its own funds for unrestricted use through rental of school premises to Milford Pre School Plus. Income from this totalled £13,312 (2018: £9,846). Bank interest for the year amounted to £766 (2018: £591). Total income (excluding restricted fixed asset funds) amounted to £1,353,809 (2018: £1,292,680). Expenditure (excluding restricted pension and fixed asset funds) amounted to £1,345,207 (2018: £1,318,612) in respect of operating Milford-on-Sea Primary School.

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.

The reserves as at 31 August 2019 were as follows:

- Unrestricted (free) reserves of £103,788
- A restricted fixed asset fund of £4,070,794, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £434,000
- Other restricted funds of £1,296
- Total funds of £3,741,878

There is a £434,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

Investment Policy

As at 31 August 2019, the balance of the 32-day notice deposit account was £92,496. The balance is reviewed on a monthly basis by the School Business Manager and reported to the trustees at the resources committee meetings. Decisions about further investment are made based on future cash flow requirements.

Milford-On-Sea Church of England Primary School

Academy Trust

Trustees' Report

Principal Risks and Uncertainties

The Trustees oversee the implementation of the school's financial strategy to ensure the school's viability and efficiency into the long term future.

The key financial risk is the continuing real terms fall in school funding. At the current level of funding, the five-year forecast may see the reserves depleted by 2022. However, from 2020/21 the school is anticipating an improved position following the spending review but has yet to understand the full impact once the local authority formula has been applied.

The school's lower than expected intake into Early Years in September 2018 will have an impact on funding in 2019/20 and beyond as the cohort moves up the school. During the 2018/19 year, the Headteacher introduced the new 'We CARE' values and this has been the platform for promoting the school in the local media and around the school. The number of Open Mornings was increased to four during the Autumn 2018 term, each on differing weekdays and times to maximise the number of prospective parents attending.

The school continues with plans to modernise and refresh key areas of the school in order to have a positive impact on visitors.

Fundraising

The MOSPS Parents and Friends Association are extremely active. Members organise events throughout the year, all of which are well attended and supported by school staff. Focuses for fundraising are agreed with the Head Teacher and key information relating to the PFA is shared with parents via newsletters, social media and the school website.

The trustees have played a key role in fundraising during 2018/19, with successful bids from Tesco Bags for Life and Waitrose token schemes. Thanks are also offered to MOSPS parents for donations and voluntary contributions to the swimming pool, music lessons and forest school and donations have been received from The Rotary and Parish Council.

The school continues to promote its participation in The Giving Machine, whereby online purchases can generate donations to the school from the retailer.

Each class takes part in one fund raising cake sale per annum run by the class parents. The funds are used for purchases as agreed by the pupils of that class.

The school actively seeks income from lettings: Pre-school Little Wood Area, After School Club space and Summer Swimming pool use.

The academy trust also raises funds in order to support local and national charities.

Milford-On-Sea Church of England Primary School

Academy Trust

Trustees' Report

Fundraising (continued)

The academy trust undertakes all such activities itself, with the help of its students and their families.

We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the academy trust during the year.

Plans for Future Periods

Milford on Sea Primary School will continue to pursue its objectives and aims to provide a broad and balanced curriculum in line with the School Improvement Plan and Self Evaluation reports. The school plans to continue with active promotion by further by increasing its presence in local press and producing a new prospectus for distribution to prospective parents.

It will support the continuing success and development of its pupils by embedding further its 'We CARE' values and promoting initiatives such as the Growth Mindset ethos and Global Learning with a view to maximum achievement for the school's OFSTED 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.

Capital projects for 2019-20 will include replacement of the dining room chairs with funding assistance from the PFA.

Continued improvement to ICT equipment & provision will form part of the schools longer-term ICT strategy.

Funds Held as Custodian Trustee on Behalf of Others

The academy trust holds a trustees discretionary fund, funded by the Milford-on-Sea Parochial Church Council, which is used to pay for staff leaving gifts from the Trustees and expenses such as Easter eggs for the pupils. There are no other arrangements where the Charity or the Trustees are acting as custodians.

Milford-On-Sea Church of England Primary School Academy Trust

Trustees' Report

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17 December 2019 and signed on the board's behalf by:



C Bryant
Trustee

Milford-On-Sea Church of England Primary School Academy Trust

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 Headteacher, 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 Statement of Trustees' Responsibilities. The board of trustees has formally met three times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dominic Furness	2	2
Damian Heneghan	0	0
Ben Willis	3	3
Julia Griffiths	2	2
Amy Mellor	3	3
Jane Miller	3	3
Sarah Nineham	3	3
Amanda Tanner	3	3
Susan Towndrow	2	2
Kate Crawford	3	3
Deborah Cummings	3	3
Sarah Whittle	3	3
Clive Bryant	3	3
Lorraine Mabbett	1	1
Rebecca Webb	3	3

Milford-On-Sea Church of England Primary School

Academy Trust

Governance Statement

Governance (continued)

The Pay Committee is a sub-committee of the Resources Committee. Its purpose is to advise, assist the SLT and Resources Trustees relating to pay decisions and approve proposals made by the Headteacher for performance management related pay decisions. It oversees the Performance Management and Pay Policies.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Julia Griffiths	4	4
Susan Towndrow	4	4
Dominic Furness	5	6
Sarah Whittle	2	2
Clive Bryant	2	2

The Resources committee is a sub-committee of the main board of trustees and encompasses the Finance and Audit, Health and Safety, Buildings and Premises, and Personnel roles. Its purpose is to advise and assist the Senior Leadership Team (SLT) and Governing Body on matters relating to the following:

- Finance and Audit - finance including monitoring expenditure, pay, budgeting and audit.
- Health, Safety, Buildings and Premises - maintenance, provision, development and safety of the school site.
- Personnel and Safeguarding – safeguarding, staffing and personnel issues.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Damian Heneghan	1	1
Julia Griffiths	3	4
Amanda Tanner	5	6
Susan Towndrow	3	4
Kate Crawford	6	6
Deborah Cummings	6	6
Sarah Whittle	5	6
Clive Bryant	6	6
Lorraine Mabbett	2	2

Milford-On-Sea Church of England Primary School

Academy Trust

Governance Statement

Governance (continued)

The Admissions, Pupil Welfare, Curriculum, Standards and Improvement Committee is a sub-committee of the main board of trustees. Its 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 year was as follows:

Trustee	Meetings attended	Out of a possible
Ben Willis	3	6
Amy Mellor	6	6
Jane Miller	5	6
Sarah Nineham	6	6
Amanda Tanner	4	6
Kate Crawford	6	6
Clive Bryant	4	4
Susan Towndrow	2	2
Rebecca Webb	4	5

Governance reviews:

The Governing Body has appointed a Trustee to collate evidence in order to continually evaluate the impact and effectiveness of the Board of Trustees.

Minutes of committee meetings are marked accordingly to identify areas where trustees have actively challenged the SLT and had an impact on the school aims and objectives.

Following the resignation of a number of trustees during the academic year, the Governing Body identified gaps in the remaining trustees' skill set. The Governing Body continues to recruit new trustees to strengthen the base of expertise.

Milford-On-Sea Church of England Primary School

Academy Trust

Governance Statement

Review of Value for Money

As accounting officer the Headteacher 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 academy trust's 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

Promethean Interactive Whiteboards: Quotes were obtained from three different companies to replace interactive whiteboards in the six junior classrooms. Although the boards were partially funded by the school's PFA, the remaining balance came from the additional Devolved Formula Capital funding. The trustees agreed to the cheapest quote.

Broadband: The trustees chose not to continue with the dedicated broadband service offered by Hampshire County Council. Two further quotes were obtained for a FTTC (Fibre to the Cabinet) broadband line and the school chose the more experienced and recommended company, School Care. Approximate annual saving of £4k.

Support Staff: It was agreed not to replace a member of support staff who resigned mid-year. The school also accepted a voluntary reduction in hours from other members of the support team (overall saving of £5.3k).

Cleaning Contract: The school chose not to continue with the cleaning contract in favour of direct employment of a cleaner (approximate saving of £3k).

Parent Communication System: The school changed parent communication provider with an approximate saving of £800.

Educational Resources: Careful use of existing school resources during the year resulted in an underspent on the Educational Equipment budget of £3.5k

Breakfast Club: Increase in number of available hours for Breakfast Club to meet demand generating additional income of approximately £7k.

Milford-On-Sea Church of England Primary School Academy Trust

Governance Statement

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 Milford-On-Sea Church of England Primary School Academy Trust for the period 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 trustees 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 trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 trustees.

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 trustees
- 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 trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees carry out a programme of internal checks.

Milford-On-Sea Church of England Primary School Academy Trust

Governance Statement

The Risk and Control Framework (continued)

The 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:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of compliance with the Academies Financial Handbook

On a termly basis, the reviewer reports to the board of trustees, through the Resources Committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

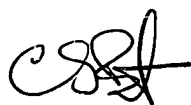
Review of Effectiveness

As accounting officer the Headteacher 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 internal reviewers
- the work of the external auditor
- the financial management and governance self-assessment process
- 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 Resources 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 17 December 2019 and signed on its behalf by:



C Bryant
Trustee



K Crawford
Accounting Officer

Milford-On-Sea Church of England Primary School Academy Trust

Statement of 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 trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 trustees 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 trustees and ESFA.



K Crawford
Accounting Officer
17 December 2019

Milford-On-Sea Church of England Primary School Academy Trust

Statement of Trustees' Responsibilities

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

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

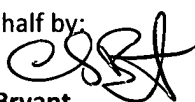
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 17 December 2019 and signed on its behalf by:


C Bryant
Trustee

Milford-On-Sea Church of England Primary School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Milford-On-Sea Church of England Primary School Academy Trust

Opinion

We have audited the financial statements of Milford-On-Sea Church of England Primary School Academy Trust ('the charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

Milford-On-Sea Church of England Primary School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Milford-On-Sea Church of England Primary School Academy Trust

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Milford-On-Sea Church of England Primary School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Milford-On-Sea Church of England Primary School Academy Trust

Responsibilities of the trustees

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

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

Our 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 a Report of the Independent Auditors 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. This description forms part of our Report of Independent Auditors.

Use of our report

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



R Hurst FCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 20 December 2019

Milford-On-Sea Church of England Primary School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Milford-On-Sea Church of England Primary School Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2019 and further to the requirements of the Education and 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 Milford-On-Sea Church of England Primary School Academy Trust during the period 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 governing body and the ESFA 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 the 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-On-Sea Church of England Primary School Academy Trust and the ESFA, 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 23 August 2013 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 period 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.

Milford-On-Sea Church of England Primary School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Milford-On-Sea Church of England Primary School Academy Trust and the Education & Skills Funding Agency

Approach

We conducted our engagement in accordance with the Academies' Accounts Direction 2018 to 2019 issued by the 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 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 Trust'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 Trust;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy Trust'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 ESFA;
- confirming whether ESFA 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 Trust's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

Milford-On-Sea Church of England Primary School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Milford-On-Sea Church of England Primary School Academy Trust and the Education & Skills Funding Agency

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 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.



R Hurst FCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 20 December 2019

Milford-On-Sea Church of England Primary School Academy Trust

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £	2017/18 Total £
Income and endowments from:							
Donations and capital grants	2	4,000	-	-	28,919	32,919	7,589
Charitable activities:							
Funding for the academy trust's educational operations	3	-	1,335,731	-	-	1,335,731	1,282,243
Other trading activities	4	13,312	-	-	-	13,312	9,846
Investments	5	766	-	-	-	766	591
Total		18,078	1,335,731	-	28,919	1,382,728	1,300,269
Expenditure on:							
Charitable activities:							
Academy trust educational operations	7	-	1,345,207	71,000	76,143	1,492,350	1,432,310
Net income / (expenditure)		18,078	(9,476)	(71,000)	(47,224)	(109,622)	(132,041)
Transfers between funds	14	(1,231)	10,772	-	(9,541)	-	-
Other recognised gains / (losses):							
Actuarial (losses) / gains on defined benefit pension schemes	22	-	-	(135,000)	-	(135,000)	72,000
Net movement in funds		16,847	1,296	(206,000)	(56,765)	(244,622)	(60,041)
Reconciliation of funds							
Total funds brought forward		86,941	-	(228,000)	4,127,559	3,986,500	4,046,541
Total funds carried forward		103,788	1,296	(434,000)	4,070,794	3,741,878	3,986,500

The notes on pages 34 to 55 form part of these financial statements.

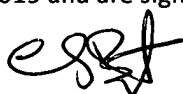
Milford-On-Sea Church of England Primary School Academy Trust

Balance Sheet as at 31 August 2019

Company Number 08612061

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		4,068,881		4,125,579
Current assets					
Debtors	12	39,971		69,108	
Cash at bank and in hand		<u>195,104</u>		<u>173,104</u>	
		235,075		242,212	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(128,078)</u>		<u>(153,291)</u>	
Net current assets			<u>106,997</u>		<u>88,921</u>
Total assets less current liabilities			4,175,878		4,214,500
Defined benefit pension scheme liability	22		(434,000)		(228,000)
Total net assets			<u>3,741,878</u>		<u>3,986,500</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	14	4,070,794		4,127,559	
Restricted income fund	14	1,296		-	
Pension reserve	14	<u>(434,000)</u>		<u>(228,000)</u>	
Total restricted funds			3,638,090		3,899,559
Unrestricted income funds	14		103,788		86,941
Total funds			<u>3,741,878</u>		<u>3,986,500</u>

The financial statements on pages 31 to 55 were approved by the trustees and authorised for issue on 17 December 2019 and are signed on their behalf by:



C Bryant
Trustee

The notes on pages 34 to 55 form part of these financial statements.

Milford-On-Sea Church of England Primary School Academy Trust

Statement of Cash Flows for the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	41,445	(22,422)
Cash flows from investing activities	19	(19,445)	(5,609)
Change in cash and cash equivalents in the reporting period		<u>22,000</u>	<u>(28,031)</u>
Cash and cash equivalents at 1 September 2018		173,104	201,135
Cash and cash equivalents at 31 August 2019	20	<u>195,104</u>	<u>173,104</u>

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

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.

Basis of Preparation

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.

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.

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 period is deducted from income and recognised as a liability.

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

- **Donations**

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

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Income (continued)

- **Other Income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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.

- **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.

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Tangible Fixed Assets

Assets costing £2,000 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.

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

Leasehold Land and Buildings	2% straight line on buildings; not provided on land
Furniture and Equipment	15% straight line
Plant and Machinery	15% straight line
Computer Equipment	3 years straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

Where the academy trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the academy trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the academy trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

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.

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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 basis 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 12. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

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.

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Pensions Benefits

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.

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

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

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 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.

The assumptions used are disclosed in note 22.

Critical areas of judgement

There are no other critical areas of judgement.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	20,919	20,919	7,589
Other donations	4,000	8,000	12,000	-
	<u>4,000</u>	<u>28,919</u>	<u>32,919</u>	<u>7,589</u>
 Total 2018	 -	 7,589	 7,589	

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	1,095,423	1,095,423	1,073,949
Pupil premium	-	40,058	40,058	40,025
Other DfE Group grants	-	72,690	72,690	62,003
	-	1,208,171	1,208,171	1,175,977
Other Government grants				
Local authority grants	-	24,469	24,469	22,990
Other income from the academy trust's educational operations				
Trip income	-	29,186	29,186	8,099
Catering income	-	31,085	31,085	32,922
Other income	-	42,820	42,820	42,255
	-	103,091	103,091	83,276
	-	1,335,731	1,335,731	1,282,243
Total 2018	-	1,282,243	1,282,243	

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	13,312	-	13,312	9,846
Total 2018	9,846	-	9,846	

5 Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	766	-	766	591
Total 2018	591	-	591	

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other	2018/19	2017/18
	£	£	£	£	£
Academy's educational operations:					
Direct costs	830,366	-	141,469	971,835	924,046
Allocated support costs	216,188	105,029	199,298	520,515	508,264
	<u>1,046,554</u>	<u>105,029</u>	<u>340,767</u>	<u>1,492,350</u>	<u>1,432,310</u>
<i>Total 2018</i>	<i>981,588</i>	<i>110,513</i>	<i>340,209</i>	<i>1,432,310</i>	

Net income/(expenditure) for the period includes:

	2018/19	2017/18
	£	£
Operating lease rentals	3,107	2,879
Depreciation	76,143	72,698
Fees payable to auditor for:		
Audit	6,290	6,165
Other services	<u>4,545</u>	<u>4,640</u>

7 Charitable activities

	2018/19	2017/18
	Total	Total
	£	£
Direct costs	971,835	924,046
Support costs	<u>520,515</u>	<u>508,264</u>
	<u>1,492,350</u>	<u>1,432,310</u>

Analysis of support costs:

	Educational operations	2018/19	2017/18
		Total	Total
	£	£	£
Support staff costs	216,188	216,188	184,772
Depreciation	76,143	76,143	72,698
Technology costs	8,270	8,270	11,051
Premises costs	105,029	105,029	110,513
Other support costs	104,050	104,050	118,425
Governance costs	10,835	10,835	10,805
Total support costs	<u>520,515</u>	<u>520,515</u>	<u>508,264</u>
<i>Total 2018</i>	<i>508,264</i>	<i>508,264</i>	

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

8 Staff

a) Staff costs

Staff costs during the period were:

	2018/19	2017/18
	£	£
Wages and salaries	777,967	757,788
Social security costs	63,033	57,141
Pension costs	201,308	163,492
	1,042,308	978,421
Agency staff costs	3,253	3,167
Staff restructuring costs	993	-
	1,046,554	981,588
Staff restructuring costs comprise:		
Redundancy payments	993	-
	993	-

b) Staff numbers

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

	2018/19	2017/18
	No.	No.
Teachers	19	24
Administration and support	39	36
Management	4	4
	62	64

c) Higher paid staff

There were no employees whose employee benefits (excluding employer pension costs) exceeded £60,000.

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £225,716 (2018: £186,310).

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

9 Related Party Transactions – Trustees’ remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees’ remuneration and other benefits was as follows:

		2018/19 £000	2017/18 £000
K Crawford (Staff trustee)	Remuneration	55-60	25-30
	Employer’s pension contributions paid	5-10	0-5
D Cummings (Staff trustee)	Remuneration	30-35	25-30
	Employer’s pension contributions paid	0-5	0-5
C Dear (Staff trustee to 27 March 2018)	Remuneration	-	35-40
	Employer’s pension contributions paid	-	5-10
B Willis (Staff trustee)	Remuneration	45-50	45-50
	Employer’s pension contributions paid	5-10	5-10

During the period ended 31 August 2019, travel and subsistence expenses totalling £858 were reimbursed or paid directly to three trustees (2018: £511 to five trustees).

10 Trustees 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 cover up to £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

11 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Plant and Machinery £	Computer Equipment £	Total £
Cost					
At 1 September 2018	4,302,376	18,441	35,119	77,590	4,433,526
Acquisitions	-	-	-	19,445	19,445
At 31 August 2019	4,302,376	18,441	35,119	97,035	4,452,971
Depreciation					
At 1 September 2018	232,843	10,818	13,118	51,168	307,947
Charged in year	49,500	2,772	5,267	18,604	76,143
At 31 August 2019	282,343	13,590	18,385	69,772	384,090
Net book values					
At 31 August 2018	4,069,533	7,623	22,001	26,422	4,125,579
At 31 August 2019	4,020,033	4,851	16,734	27,263	4,068,881

12 Debtors

	2018/19 £	2017/18 £
Trade debtors	5,015	-
VAT recoverable	10,439	21,190
Other debtors	5,820	2,400
Prepayments and accrued income	18,697	45,518
	39,971	69,108

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

13 Creditors: amounts falling due within one year

	2018/19	2017/18
	£	£
Trade creditors	19,952	46,619
Other taxation and social security	15,256	16,467
Other creditors falling due within one year	16,902	17,513
Accruals and deferred income	75,968	72,692
	128,078	153,291

	2018/19	2017/18
	£	£
Deferred income at 1 September 2018	50,331	23,835
Released from previous years	(50,331)	(23,835)
Resources deferred in the year	28,887	50,331
Deferred income at 31 August 2019	28,887	50,331

At the balance sheet date the academy trust was holding funds received in advance for UIFSM provisional funding and rates relief relating to the forthcoming financial year. The comparative figure included deferred trip income.

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

14 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2019 £
Restricted general funds						
General Annual Grant (GAG)	-	1,095,423	(1,106,195)	10,772	-	-
Pupil Premium	-	40,058	(40,058)	-	-	-
Other DfE/ESFA grants	-	72,690	(72,690)	-	-	-
Other government grants	-	24,469	(24,469)	-	-	-
Sports club	-	-	-	1,296	-	1,296
Other educational activities	-	103,091	(101,795)	(1,296)	-	-
	-	1,335,731	(1,345,207)	10,772	-	1,296
Pension reserve	(228,000)	-	(71,000)	-	(135,000)	(434,000)
	(228,000)	1,335,731	(1,416,207)	10,772	(135,000)	(432,704)
Restricted fixed asset funds						
Fixed asset fund	4,125,579	-	(76,143)	19,445	-	4,068,881
DfE Group capital grants (DFC)	1,980	20,919	-	(20,986)	-	1,913
Other capital donations	-	8,000	-	(8,000)	-	-
	4,127,559	28,919	(76,143)	(9,541)	-	4,070,794
Total restricted funds	3,899,559	1,364,650	(1,492,350)	1,231	(135,000)	3,638,090
Total unrestricted funds	86,941	18,078	-	(1,231)	-	103,788
Total funds	3,986,500	1,382,728	(1,492,350)	-	(135,000)	3,741,878

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

14 Funds (continued)

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

General annual grant

This includes all funding received from the ESFA 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 needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA 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.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

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

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/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

14 Funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2018 £
Restricted general funds						
General Annual Grant (GAG)	-	1,073,949	(1,073,949)	-	-	-
Pupil Premium	-	40,025	(40,025)	-	-	-
Other DfE/ESFA grants	-	62,003	(62,003)	-	-	-
Other government grants	-	22,990	(22,990)	-	-	-
Other educational activities	19,758	83,276	(119,645)	16,611	-	-
	19,758	1,282,243	(1,318,612)	16,611	-	-
Pension reserve	(259,000)	-	(41,000)	-	72,000	(228,000)
	(239,242)	1,282,243	(1,359,612)	16,611	72,000	(228,000)
Restricted fixed asset funds						
Fixed asset fund	4,192,668	-	(72,698)	5,609	-	4,125,579
DfE Group capital grants (DFC)	-	7,589	-	(5,609)	-	1,980
	4,192,668	7,589	(72,698)	-	-	4,127,559
Total restricted funds	3,953,426	1,289,832	(1,432,310)	16,611	72,000	3,899,559
Total unrestricted funds	93,115	10,437	-	(16,611)	-	86,941
Total funds	4,046,541	1,300,269	(1,432,310)	-	72,000	3,986,500

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

15 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	4,068,881	4,068,881
Current assets	103,788	129,374	-	1,913	235,075
Current liabilities	-	(128,078)	-	-	(128,078)
Pension scheme liability	-	-	(434,000)	-	(434,000)
Total net assets	103,788	1,296	(434,000)	4,070,794	3,741,878

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	4,125,579	4,125,579
Current assets	86,941	153,291	-	1,980	242,212
Current liabilities	-	(153,291)	-	-	(153,291)
Pension scheme liability	-	-	(228,000)	-	(228,000)
Total net assets	86,941	-	(228,000)	4,127,559	3,986,500

16 Capital commitments

	2018/19	2017/18
	£	£
Contracted for, but not provided in the financial statements	3,604	-

17 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018/19	2017/18
	£	£
Amounts due within one year	2,163	2,451
Amounts due between one and five years	696	1,823
	2,859	4,274

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

18 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018/19	2017/18
	£	£
Net expenditure for the reporting period	(109,622)	(132,041)
Adjusted for:		
Depreciation	76,143	72,698
Defined benefit pension scheme cost less contributions payable	65,000	35,000
Defined benefit pension scheme finance cost	6,000	6,000
Decrease / (increase) in debtors	29,137	(20,622)
(Decrease) / increase in creditors	(25,213)	16,543
Net cash provided by / (used in) Operating Activities	41,445	(22,422)

19 Cash flows from investing activities

	2018/19	2017/18
	£	£
Purchase of tangible fixed assets	(19,445)	(5,609)
Net cash used in investing activities	(19,445)	(5,609)

20 Analysis of cash and cash equivalents

	2018/19	2017/18
	£	£
Cash in hand and at bank	195,104	173,104

21 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.

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

22 Pension and similar obligations

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

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

Contributions amounting to £15,729 were payable to the schemes at 31 August 2019 (2018: £15,356) 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%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at:
<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

22 Pension and similar obligations (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, has 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 period amounted to £81,722 (2018: £79,905).

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 as follows:

	2019	2018
	£	£
Employer's contributions	55,000	49,000
Employees' contributions	15,000	14,000
	<u>70,000</u>	<u>63,000</u>

The agreed contribution rates for future years are 16.1% for employers (increasing to 18.9% from 1 April 2020) and 5.5% to 12.5% for employees.

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

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

22 Pension and similar obligations (continued)

Principal actuarial assumptions

	2019	2018
Rate of increase in salaries	3.6%	3.5%
Rate of increase for pensions in payment/inflation	2.1%	2.0%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation assumption (CPI)	2.1%	2.0%

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

	2019	2018
<i>Retiring today</i>		
Males	23.1	24.1
Females	25.8	27.2
<i>Retiring in 20 years</i>		
Males	24.7	26.2
Females	27.6	29.4

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2019	2018
	£	£
Discount rate +0.1%	(24,000)	(17,000)
Discount rate -0.1%	24,000	18,000
Mortality assumption – 1 year increase	37,000	23,000
Mortality assumption – 1 year decrease	(37,000)	(23,000)

The academy trust's share of the assets in the scheme were:

	2019	2018
	£	£
Equities	403,000	366,000
Property	48,000	40,000
Government bonds	138,000	131,000
Corporate bonds	-	7,000
Cash	13,000	13,000
Other	68,000	16,000
Total market value of assets	670,000	573,000

The actual return on scheme assets was £35,000 (2018: £37,000).

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

22 Pension and similar obligations (continued)

Amount recognised in the Statement of Financial Activities

	2018/19	2017/18
	£	£
Current service cost	82,000	84,000
Past service cost	38,000	-
Interest income	(17,000)	(13,000)
Interest cost	23,000	19,000
Total amount recognised in the SOFA	<u>126,000</u>	<u>90,000</u>

The past service cost represents an actuarial estimate of the additional underpin liability arising as a result of the McCloud/Sargeant judgement in December 2018 and the Supreme Court's decision not to allow the Government an appeal on 27 June 2019.

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

	2018/19	2017/18
	£	£
At 1 September	801,000	735,000
Current service cost	82,000	84,000
Interest cost	23,000	19,000
Employee contributions	15,000	14,000
Actuarial loss / (gain)	153,000	(48,000)
Benefits paid	(8,000)	(3,000)
Past service cost	38,000	-
At 31 August	<u>1,104,000</u>	<u>801,000</u>

Changes in the fair value of academy trust's share of scheme assets:

	2018/19	2017/18
	£	£
At 1 September	573,000	476,000
Interest income	17,000	13,000
Actuarial gain	18,000	24,000
Employer contributions	55,000	49,000
Employee contributions	15,000	14,000
Benefits paid	(8,000)	(3,000)
At 31 August	<u>670,000</u>	<u>573,000</u>

Milford-On-Sea Church of England Primary School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Income Related Party Transaction:

In the year rent totalling £12,547 (2018: £9,696) was received from Milford Pre-School Plus - a company in which A Tanner (trustee) and S Towndrow (trustee until 4 April 2019) are directors.