

The Milford Academy

Registered number: 08163499

Governors report and financial statements

For the year ended 31 August 2014

THE MILFORD ACADEMY

(A company limited by guarantee)

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THE MILFORD ACADEMY

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS

FOR THE YEAR ENDED 31 AUGUST 2014

Governors

Mrs Marie Blatherwick¹
Mrs Louise Butler
Mrs Charlotte Foote
Mrs Tarnia Janisse
Mr Dominic Magner
Mrs Claire Smith (resigned 29 November 2014)¹
Mr James Strawbridge¹
Mr David Lloyd (appointed 10 June 2014)
Ms Karen Winter (resigned 10 June 2014)
Mr James Field (resigned 16 October 2013)
Mr Matthew Cooke (appointed 10 June 2014)

¹ Member of the academy trust

Company registered number

08163499

Principal and registered office

The Milford Academy, Dungannon Road, Clifton Estate, Nottingham, Nottinghamshire, NG11 9BT

Company secretary

Mrs Theresa Walters

Senior management team

Dominic Magner, Headteacher
Violet Grinnell, Deputy Headteacher
Sally Simons, Head of Foundation
Naomi Atamanluk, KS1 Manager
Helen Richardson, KS2 Manager
Louise Butler, Achievement Manager
Theresa Walters, School Business Manager

Independent auditors

Mazars LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

Bankers

Lloyds Bank, Old Market Square, Nottingham, NG1 6FD

Solicitors

Browne Jacobson, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

THE MILFORD ACADEMY

(A company limited by guarantee)

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of The Milford Academy (the academy) for the year ended 31 August 2014. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The trust operates an academy for pupils aged 3-11 serving a catchment area on The Clifton Estate. It is working towards a pupil capacity of 420 and has a current roll of 413 as at the school census on 3rd, October, 2014.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The governors of The Milford Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Milford Academy.

Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

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

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

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

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

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2014

e. ORGANISATIONAL STRUCTURE

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

The Academy Board are responsible for agreeing any individual financial spend of over £5,000 and hold the Senior Managers to account for all the strategic decisions of the school, the progress and attainment of pupils, Child Protection and Safeguarding, Health and Safety and the Performance Management of all the staff including the Head Teacher.

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

This is a larger than average sized primary school with around 343 pupils in Reception to Y6 and a further 70 in Nursery. The school is popular with a good reputation. The roll is steadily increasing with an anticipated move to two form entry by 2019.

The school is managed by The Academy Board, made up of 3 parent governors, 2 staff governors, 2 community governors and 2 co-opted Governors. There are 2 sub committees; The Finances, Pupils & Personnel committee and the Strategic Development & General Purposes committee.

There are 3 members who are directors of the company. They are James Strawbridge, Claire Smith and Marie Blatherwick.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Milford Academy is not connected to any other parties. However, it is an active member of the Nottingham Learning Trust.

g. GOVERNORS' INDEMNITIES

For the Financial Year 2013-2014, the Governors have liability Insurance with RPA/ Gallagher Bassett effective date 1st September 2013. There is a limit of Indemnity of £2,000,000.

THE MILFORD ACADEMY

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2014

Objectives and Activities

a. OBJECTS AND AIMS

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

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

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

The main objects / aims of the trust during the period ended 31 August 2014 are summarised below:

- Develop the Academy infrastructure to accommodate 420 pupils and Nursery by September 2018
- Improve the Progress and Attainment of pupils including vulnerable groups
- Improve access to and from the site while improving the Safeguarding of pupils.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

1. The first key objective will be to manage successfully the re-roofing of the whole school.
This will significantly reduce heating costs, contribute to the long-term sustainability of the Academy and reduce maintenance costs.
On completion of the roof the Academy can make further improvements to classroom environments to improve further Progress and Attainment for all Pupil Groups.
2. Narrow the gap for Pupil Premium pupils in the future by working successfully with Partners on the Pilot 2 year old project.
This will be achieved by sourcing funding from Early Years Partners to develop the Nursery building at no material cost to the Academy to enable 15 hours of free provision for identified and eligible 2 year olds.
This provision will in time narrow the gap for this vulnerable group on entry into school and transition into Key Stage 1.
3. Raise standards at the end of the Early Years Foundation Stage.
This will be achieved in Partnership with the "Early Excellence" Learning Networks and Nottingham Nursery School to incorporate Best Practice, pedagogical, assessment and learning environment ideas into our work with a particular emphasis on Speaking and Listening.
4. Develop Speaking and Listening throughout school linked to our evolving Behaviour Policy to enable children to be more articulate and self-confident individuals who can demonstrate verbally their developing ability to reason, discuss and present learning and be more aspirational about the future and how they can achieve their goals.
5. The Academy Board are supportive of the charitable aims of the Nottingham Learning Trust, currently led by the Academy's Head Teacher, which aims for all Member Schools to be judged Good or Outstanding by OFSTED and contribute fully to the positive outcomes for Nottingham City children.

THE MILFORD ACADEMY

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GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

c. PUBLIC BENEFIT

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

Achievements and performance

a. GOING CONCERN

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

b. KEY FINANCIAL PERFORMANCE INDICATORS

Staffing costs for the Academy as a percentage of GAG income was 92.61% (2013: 89.27%).

Agency staff costs as a percentage of total staff costs was 1.17% (2013: 0.17%).

Repairs & maintenance costs as a percentage of total costs was 9.27% (2013: 10.04%).

The Academy is currently judged as GOOD by OFSTED and our Self-Evaluation judgement is GOOD, supported by the "Governor Dashboard" which highlights the upward trend by the Academy.

Our academic performance is encouraging with good progress at EYFS, an upward trend maintained over recent years in results at Key Stage One and good progress with good attainment at Key Stage Two. The Key Stage 2 results are particularly good at a vital stage in a child's education. Clearly the Academy still has lots to do to improve progress at EYFS and KS1 and raise Attainment in these areas which is a key priority for the Academy.

Our Key Stage 1 data is as follows:

Speaking & Listening	%L2+	77.8	%L3+	6.7
Reading	%L2+	82.2	%L3+	20.0
Writing	%L2+	75.6	%L3+	11.1
Maths	%L2+	88.9	%L3+	17.8
Science	%L2+	84.4	%L3+	0.0

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Our Key Stage 2 data is as follows:

Reading & Maths test & Writing TA % of pupils achieving level 4 or above	83%
Reading & Maths test & Writing TA % pupils achieving level 4B or above in reading & Maths tests, & level 4 or above in Writing TA	73%
Reading % of pupils achieving level 4 or above Test Result	90%
Reading % of pupils achieving level 4B or above Test Result	80%
Reading % of pupils achieving level 5 or above	41%
Grammar, punctuation & spelling % of pupils achieving level 4 or above	80%
Grammar, punctuation & spelling % of pupils achieving level 4B or above	76%
Grammar, punctuation & spelling % of pupils achieving level 5 or above	71%
Grammar, punctuation & spelling % of pupils achieving level 6	2%
Maths % of pupils achieving level 4 or above	90%
Maths % of pupils achieving level 4B or above	80%
Maths % of pupils achieving level 5 or above	41%
Maths % pupils achieving level 6	5%
Writing % of pupils with level 4+	83%
Writing % of pupils with level 5+	20%

Attendance in 2012/13 was 96.8% and in 2013/14 is 97.2%. Attendance is therefore on an upward trend and ahead of national target and expectations.

Pupil recruitment indicates a year on year increase in pupil numbers with 28 more pupils on our October 2014 Census compared to the previous year.

THE MILFORD ACADEMY

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GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2014

Financial review

a. REVIEW OF ACTIVITIES

Our income for the year was £2,141,330 with a carry forward figure of £183,073 before actuarial movements. The principal source of funding for the Academy is of course the GAG though the Academy has been able to source successfully significant additional funding to contribute to the infrastructure of the building. This is enabling the Academy to develop an energy efficient, sustainable and attractive modern environment for learning. The local community has confidence in the Academy demonstrated by the increasing number of pupils who attend every year. The Academy accounts are audited yearly by Mazars to ensure the Academy is meeting all financial regulations and requirements and spending its' funding in an efficient and effective manner. The Academy can demonstrate an improving infrastructure and rising standards of Progress and Attainment.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks for the Academy during the next few years are the reduction in students in the Academy's 'normal area' and any changes to the funding formula. The Academy closely monitors applications for places and model the financial implications of any trends.

The major risks to which The Academy is exposed, as identified by the governors, have been reviewed, and systems and procedures have been established to mitigate those risks.

c. RESERVES POLICY

The Academy is fully aware of the need to invest in the education of the children currently at the Academy and the building infrastructure that accommodates them. Nevertheless it is recognised that prudent finance requires significant reserves to meet all our financial commitments (e.g. staffing costs) at the appropriate time, healthy cash-flow and the ability to respond effectively to significant incident should one occur. Therefore the Academy aims for a 10% reserve of income at all times of the year where possible and works with the Academy Board to achieve this. This figure remains the subject of review throughout the year as the Academy aims to meet all of its objectives. Currently there are no funds in deficit apart from the deficit of £848,000 which relates to the local government pension scheme. There are plans in place to manage this as per external actuary guidance.

d. INVESTMENTS POLICY

The Academy do not have any investments.

THE MILFORD ACADEMY (A company limited by guarantee)

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2014

Plans for future periods

a. FUTURE DEVELOPMENTS

The aim of the Academy is to become an Outstanding school which will be achieved if a number of Key Objectives are met.

The Academy's first objective is to complete the infrastructure of the building. This will involve the re-roofing of the whole school, suitable classroom accommodation for 420 pupils and the appropriate environmental and curricular provision for these pupils including I.T. infrastructure.

This process has to be managed carefully because any building costs have to be tendered for to ensure Best Value and balanced against all the typical expenditure of the Academy and the need for appropriate reserves.

Our second objective will be to provide appropriate Library and Staffing space to help raise overall standards in Literacy while supporting individuals and targeted groups who find Literacy particularly challenging.

Our third objective will be to raise standards at the end of the EYFS and therefore impact on KS1 standards and readiness for KS2. Historical data evidences how well the children achieve if they reach 2B+ by the end of KS1. This will be achieved by improving classroom environments, resourcing and staff training in Reception. This process is under way.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

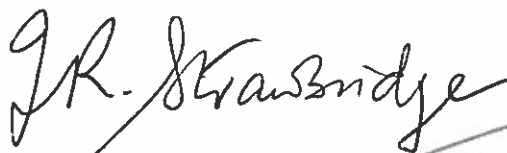
There are no assets / arrangements for safe custody and segregation.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

This report was approved by order of the board of governors on 5 DECEMBER 2014 and signed on the board's behalf by:



Mr James Strawbridge
Acting Chair of Governors

THE MILFORD ACADEMY

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of governors has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Milford Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The Academy Board have faced some real challenges in 2014 in terms of composition with the recent resignation of the chair and other Governors finding it hard to meet the commitment required for effective Academy Governance. New Parent Governors have brought energy and enthusiasm to the Board but remain relatively inexperienced. Further experience would be welcomed on the board and the Academy will look to see where this experience could be sought. The key challenge for the Board has been to work with the Senior Leadership Team to develop the infrastructure of the Academy, in preparation for a two-form entry 420 NOR school while holding it to account for raising standards. This process has been managed so far but there remain many challenges ahead as the Government has raised national expectations while introducing a new curriculum.

Our last external review of Governance, in June 2013 was Good. In keeping with many Governing Bodies, there is a key issue for Governors and that is understanding the new OFSTED framework and being able to articulate successfully how the Academy is responding to all the challenges they face in terms of the key judgements. The Academy will be working with the Board to help them get a clear picture of how the school has reacted the Self-Evaluation Judgement, identify the priorities for the School Development Plan and take the Academy from GOOD to OUTSTANDING.

The next external review will be in June 2015. In this time the Academy Board will in response to the last review continue to develop further the budgetary accountability to the Board and knowledge of how these processes work and are audited. The Board have also been given more detailed information on the Performance Management process and this informs information on the quality of teaching and learning.

The Academy Board recognises that education continues to change at a rapid rate. In response to this the Board will need to consider how to forge effective local partnerships to support the development of the Academy in terms of Governance and of course the Progress and Attainment of the Pupils and the wider curriculum they experience.

Governor	Meetings attended	Out of a possible
Mrs Marie Blatherwick	2	8
Mrs Louise Butler	6	8
Mrs Charlotte Foote	7	8
Mrs Tarnia Janisse	4	8
Mr Dominic Magner	8	8
Mrs Claire Smith	5	8
Mr James Strawbridge	8	8
Mr David Lloyd	2	2
Ms Karen Winter	1	5
Mr Matthew Cooke	2	2

THE MILFORD ACADEMY

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GOVERNANCE STATEMENT (continued)

Finance and General Purposes committee

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

The committee has delegated authority as follows:

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

Major issues would be referred to the full Governing Body for ratification.

The committee is authorised:

- a) To consider the Academy's indicative funding, and to assess its implications for the Academy, in consultation with the headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body.
- b) To consider and recommend acceptance/non-acceptance of the academy's budget, at the start of each financial year.
- c) To contribute to the formulation of the Academy's development plan, through the consideration of financial priorities and proposals, in consultation with the headteacher, with the stated and agreed aims and objectives of the Academy.
- d) To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- e) To liaise with and receive reports from the staffing/remuneration and curriculum committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- f) To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy, and with the financial regulations for academies, drawing any matters of concern to the attention of the Governing Body.
- g) To monitor and review procedures for ensuring the effective implementation and operation of financial procedures on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- h) To prepare the financial statements to form part of the annual report of the Governing Body to parents and for filing in accordance with Companies Act and Charity Commission requirements
- i) To receive auditors' reports and to recommend to the full Governing Body action as appropriate in response to audit findings.
- j) To recommend to the full Governing Body the appointment or reappointment of the auditors of the Academy.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Milford Academy for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

THE MILFORD ACADEMY

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Ann Ross, Nottingham City Council, to perform an internal finance review function.

The role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the reports to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities.

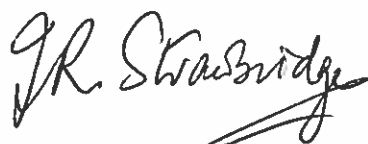
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 finance review;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of governors on 5 DECEMBER 2014 and signed on its behalf, by:



Mr James Strawbridge
Acting Chair of Governors



Mr Dominic Magner
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of governors. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA:

- In order to meet Governmental expectations to deliver free, hot school meals to the whole of Key Stage One on the first day of term in September 2014 and the requirement to meet Health and Safety legislation with the equipment provided in the new kitchen being up to standard, the academy needed to urgently order the following: Gas Fryer and installation, Roller shutter, combination oven with installation and training, upgrade to the gas pipes and gas devices, upgrade to electrics, installation of extractor fan and canopy and dishwasher at a combined cost of £28,000.

It is acknowledged that the total costs of these items exceeded £5,000 and as such would require a tendering process and agreement with the Academy Board in normal circumstances. However due to the circumstances outlined above and the over riding priority of meeting Health and Safety legislation, the equipment was duly ordered with proven and accredited suppliers. These actions allowed the academy to meet their obligations to provide hot dinners to all of KS1 on the first day of term and enabled them to access funding of £23,000 to help with the costs involved. It is worth noting that the Government at the time acknowledged the challenging timescales for schools to provide free school meals for KS1 at the start of the Autumn Term.

Dom Magner

Mr Dominic Magner
Accounting Officer

Date: 5.12.14

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GOVERNORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

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

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

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

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

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

Approved by order of the members of the board of governors on 5 DECEMBER 2014 and signed on its behalf by:



Mr James Strawbridge
Acting Chair of Governors

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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF THE MILFORD ACADEMY

We have audited the financial statements of The Milford Academy for the period ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement set out on page 13, the Governors (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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the members as a body for our audit work, for this report, or for the opinions we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON THE OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE MILFORD ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF THE
MILFORD ACADEMY**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We report to you, if in our opinion;

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



David Hoose (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
Statutory Auditor

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 5/12/14

THE MILFORD ACADEMY

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY OF THE MILFORD ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Milford Academy during the period to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE MILFORD ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of The Milford Academy's funding agreement with the Secretary of State for Education dated 27 July 2012, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

A summary of the work we have undertaken is as follows

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out

THE MILFORD ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO THE GOVERNING BODY OF THE MILFORD ACADEMY AND THE EDUCATION
FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do conform to the authorities which govern them.

As reported by the Accounting Officer in the Statement on Regularity, Propriety and Compliance, an instance was noted where the academy did not follow its financial regulations in relation to procurement.

Mazars LLP

Mazars LLP

Reporting Accountant

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: *5/12/10*

THE MILFORD ACADEMY
(A company limited by guarantee)

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

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	-	-	-	3,056,861
Investment income	3	384	-	-	384	298
Incoming resources from charitable activities						
	4	-	1,851,466	141,904	1,993,370	1,869,646
Other incoming resources	5	6,808	140,768	-	147,576	129,832
TOTAL INCOMING RESOURCES		7,192	1,992,234	141,904	2,141,330	5,056,637
RESOURCES EXPENDED						
Charitable activities						
		-	1,844,749	55,706	1,900,455	1,895,747
Governance costs	8	-	57,802	-	57,802	63,663
TOTAL RESOURCES EXPENDED	6	-	1,902,551	55,706	1,958,257	1,959,410
NET INCOMING RESOURCES BEFORE TRANSFERS						
		7,192	89,683	86,198	183,073	3,097,227
Transfers between Funds	18	-	(120,996)	120,996	-	-
NET INCOME FOR THE YEAR		7,192	(31,313)	207,194	183,073	3,097,227
Actuarial gains and losses on defined benefit pension schemes						
		-	(108,000)	-	(108,000)	(194,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		7,192	(139,313)	207,194	75,073	2,903,227
Total funds at 1 September 2013						
		161,833	(594,880)	3,336,274	2,903,227	-
TOTAL FUNDS AT 31 AUGUST 2014		169,025	(734,193)	3,543,468	2,978,300	2,903,227

All of the Academy's activities derive from continuing operations in the current year and acquisitions in the previous period.

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

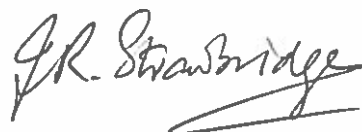
The notes on pages 21 to 39 form part of these financial statements.

THE MILFORD ACADEMY
Registered number: 08163499
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		3,423,622		3,336,274
CURRENT ASSETS					
Stocks	15	4,734		-	
Debtors	16	123,043		41,689	
Cash at bank		416,830		346,402	
			<u>544,607</u>	<u>388,091</u>	
CREDITORS: amounts falling due within one year	17	(141,929)		(129,138)	
NET CURRENT ASSETS			<u>402,678</u>		<u>258,953</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,826,300</u>		<u>3,595,227</u>
Defined benefit pension scheme liability	23		(848,000)		(692,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>2,978,300</u></u>		<u><u>2,903,227</u></u>
FUNDS OF THE ACADEMY					
Restricted funds :					
Restricted funds	18	113,807		97,120	
Restricted fixed asset funds	18	3,543,468		3,336,274	
			<u>3,657,275</u>	<u>3,433,394</u>	
Restricted funds excluding pension liability					
Pension reserve		(848,000)		(692,000)	
			<u>2,809,275</u>	<u>2,741,394</u>	
Total restricted funds					
Unrestricted funds	18		169,025		161,833
TOTAL FUNDS			<u><u>2,978,300</u></u>		<u><u>2,903,227</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 5 DECEMBER 2014 and are signed on their behalf, by:



Mr James Strawbridge
Acting Chair of Governors

The notes on pages 21 to 39 form part of these financial statements.

THE MILFORD ACADEMY
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	20	191,040	201,252
Returns on investments and servicing of finance	21	384	298
Capital expenditure and financial investment	21	(120,996)	18,942
INCREASE IN CASH IN THE YEAR		<u>70,428</u>	<u>220,492</u>

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

	2014 £	2013 £
Increase in cash in the year	<u>70,428</u>	<u>220,492</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>70,428</u>	<u>220,492</u>
Net funds at 1 September 2013	346,402	125,910
NET FUNDS AT 31 AUGUST 2014	<u>416,830</u>	<u>346,402</u>

The notes on pages 21 to 39 form part of these financial statements.

THE MILFORD ACADEMY

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Fund accounting

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

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

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

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

THE MILFORD ACADEMY

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

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

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

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

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

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

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

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

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

1.4 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

THE MILFORD ACADEMY

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land and building	-	2% Straight line
Fixtures and fittings	-	12.5% Straight line
Computer equipment	-	33.33% Straight line

1.7 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

THE MILFORD ACADEMY

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

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

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

THE MILFORD ACADEMY
(A company limited by guarantee)

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

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Donations	-	-	-	3,056,861
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Investment income	384	-	384	298
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,513,006	1,513,006	1,516,579
Start up grant	-	-	-	25,000
Other DfE/EFA Grants	-	190,829	190,829	70,564
	<u> </u>	<u>1,703,835</u>	<u>1,703,835</u>	<u>1,612,143</u>
Other government grants				
Local authority grants	-	147,631	147,631	199,678
	<u> </u>	<u>147,631</u>	<u>147,631</u>	<u>199,678</u>
Other funding				
Capital Grants	-	141,904	141,904	57,825
	<u> </u>	<u>141,904</u>	<u>141,904</u>	<u>57,825</u>
	<u> </u>	<u>1,993,370</u>	<u>1,993,370</u>	<u>1,869,646</u>

THE MILFORD ACADEMY
(A company limited by guarantee)

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

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
School trips	-	27,052	27,052	10,890
Music activities	-	4,023	4,023	4,022
Insurance receipts	6,808	-	6,808	5,982
Breakfast & lunch clubs	-	109,693	109,693	108,938
	<u>6,808</u>	<u>140,768</u>	<u>147,576</u>	<u>129,832</u>

6. Resources expended

	Staff costs £	Premises £	Other costs £	2014 £	2013 £
Academy's educational operations					
- Direct costs	1,118,075	44,452	90,202	1,252,729	1,288,781
- Allocated support costs	283,070	272,229	92,427	647,726	606,966
Sub total	<u>1,401,145</u>	<u>316,681</u>	<u>182,629</u>	<u>1,900,455</u>	<u>1,895,747</u>
Governance costs including allocated support costs	-	-	57,802	57,802	63,663
Total	<u>1,401,145</u>	<u>316,681</u>	<u>240,431</u>	<u>1,958,257</u>	<u>1,959,410</u>

THE MILFORD ACADEMY
(A company limited by guarantee)

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

7. DIRECT COSTS

	Unrestricted £	Restricted £	2014 £	2013 £
Teaching and educational support staff costs	-	1,118,075	1,118,075	1,104,270
Depreciation	-	44,452	44,452	60,627
Educational supplies	-	43,823	43,823	101,325
Staff development	-	18,241	18,241	9,042
School trips	-	24,313	24,313	13,517
Educational consultancy	-	3,825	3,825	-
Total	-	1,252,729	1,252,729	1,288,781

SUPPORT COSTS

	Unrestricted £	Restricted £	2014 £	2013 £
Teaching and educational support staff costs	-	283,070	283,070	249,558
Depreciation	-	11,254	11,254	13,308
Maintenance of premises and equipment	-	188,091	188,091	194,695
Cleaning	-	5,830	5,830	5,014
Rent & rates	-	39,855	39,855	35,749
Insurance	-	27,199	27,199	41,491
Security	-	10,321	10,321	2,938
Catering	-	46,630	46,630	21,875
Other support costs	-	35,476	35,476	42,338
Total	-	647,726	647,726	606,966

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditor's remuneration	-	5,600	5,600	5,500
Auditors' non audit costs	-	2,775	2,775	-
Legal and professional fees	-	49,427	49,427	58,163
Total	-	57,802	57,802	63,663

THE MILFORD ACADEMY
(A company limited by guarantee)

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

9. NET INCOMING RESOURCES

This is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	55,706	73,935
Auditors' remuneration	5,600	5,500
Auditors' remuneration - non-audit	2,775	2,150
Operating lease rentals:		
- other operating leases	4,240	4,240
	<u> </u>	<u> </u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2014	2013
	£	£
Wages and salaries	1,147,130	1,113,295
Social security costs	62,032	68,554
Other pension costs (Note 23)	149,590	148,659
	<u> </u>	<u> </u>
	1,358,752	1,330,508
Supply teacher costs	16,393	2,320
FRS 17 costs	26,000	21,000
	<u> </u>	<u> </u>
	<u>1,401,145</u>	<u>1,353,828</u>

b. Staff severance payments

There were no staff severance payments in the period.

c. Staff numbers

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

	2014	2013
	No.	No.
Teachers	11	11
Administration and support	39	53
Management	7	7
	<u> </u>	<u> </u>
	<u>57</u>	<u>71</u>

THE MILFORD ACADEMY
(A company limited by guarantee)

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

10. STAFF (continued)

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2014	2013
	No.	No.
In the band £60,001 - £70,000	1	1
	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this employee amounted to £9,394 (2013: £9,301).

11. GOVERNORS' REMUNERATION AND EXPENSES

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

	2014	2013
	£	£
D Magner (Principal)	65,000-70,000	65,000-70,000
L Butler (Staff Governor)	25,000-30,000	20,000-25,000

During the year, no Governors received any reimbursement of expenses (2013 - £NIL).

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

13. OTHER FINANCE INCOME

	2014	2013
	£	£
Expected return on pension scheme assets	38,000	24,000
Interest on pension scheme liabilities	(64,000)	(45,000)
	(26,000)	(21,000)
	(26,000)	(21,000)

THE MILFORD ACADEMY
(A company limited by guarantee)

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

14. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2013	3,381,872	18,610	9,728	3,410,210
Additions	81,657	58,145	3,252	143,054
At 31 August 2014	<u>3,463,529</u>	<u>76,755</u>	<u>12,980</u>	<u>3,553,264</u>
Depreciation				
At 1 September 2013	70,965	2,971	-	73,936
Charge for the year	44,785	7,499	3,422	55,706
At 31 August 2014	<u>115,750</u>	<u>10,470</u>	<u>3,422</u>	<u>129,642</u>
Net book value				
At 31 August 2014	<u>3,347,779</u>	<u>66,285</u>	<u>9,558</u>	<u>3,423,622</u>
At 31 August 2013	<u>3,310,907</u>	<u>15,639</u>	<u>9,728</u>	<u>3,336,274</u>

15. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	<u>4,734</u>	<u>-</u>

16. DEBTORS

	2014 £	2013 £
Trade debtors	11,943	-
VAT Recoverable	36,840	28,625
Other debtors	30,018	210
Prepayments and accrued income	44,242	12,854
	<u>123,043</u>	<u>41,689</u>

THE MILFORD ACADEMY
(A company limited by guarantee)

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

17. CREDITORS:

Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	19,744	-
Other taxation and social security	17,549	18,022
Other creditors	25,512	90,739
Accruals and deferred income	79,124	20,377
	<u>141,929</u>	<u>129,138</u>

Deferred income

Resources deferred during the year

£

60,559

The deferred income at 31 August 2014 (2013: £Nil) relates to:

- £14,060 SAL funding
- £24,321 ELP Grant
- £22,178 Free school meal grant

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

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	161,833	7,192	-	-	-	169,025
Restricted funds						
General Annual Grant (GAG)	84,991	1,513,006	(1,394,844)	(120,996)	-	82,157
Other restricted Other DfE/EFA Grants	12,129	140,768	(152,897)	-	-	-
Pension reserve	-	338,460	(306,810)	-	-	31,650
	(692,000)	-	(48,000)	-	(108,000)	(848,000)
	(594,880)	1,992,234	(1,902,551)	(120,996)	(108,000)	(734,193)
Restricted fixed asset funds						
Capital expenditure from GAG	31,058	-	(8,965)	120,996	-	143,089
Capital donations	3,297,391	-	(44,979)	-	-	3,252,412
DfE/EFA Capital Grant	7,825	141,904	(1,762)	-	-	147,967
	3,336,274	141,904	(55,706)	120,996	-	3,543,468
Total restricted funds	2,741,394	2,134,138	(1,958,257)	-	(108,000)	2,809,275
Total of funds	2,903,227	2,141,330	(1,958,257)	-	(108,000)	2,978,300

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18. STATEMENT OF FUNDS (continued)

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

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

The transfers relate to GAG funding used for capital expenditure.

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	3,423,622	3,423,622	3,336,274
Current assets	169,025	255,757	119,825	544,607	388,091
Creditors due within one year	-	(141,929)	-	(141,929)	(129,138)
Provisions for liabilities and charges	-	(848,000)	-	(848,000)	(692,000)
	<u>169,025</u>	<u>(734,193)</u>	<u>3,543,468</u>	<u>2,978,300</u>	<u>2,903,227</u>

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

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	183,073	3,097,227
Returns on investments and servicing of finance	(384)	(298)
Balance transferred on conversion	-	(125,910)
Opening pension deficit	-	476,000
Depreciation of tangible fixed assets	55,706	73,935
Capital grants from DfE	(22,058)	(3,429,151)
Increase in stocks	(4,734)	-
Increase in debtors	(81,354)	(41,689)
Increase in creditors	12,791	129,138
FRS 17 adjustments	48,000	22,000
Net cash inflow from operations	<u>191,040</u>	<u>201,252</u>

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	384	298
	<u>384</u>	<u>298</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(143,054)	(38,883)
Capital grants from DfE	22,058	57,825
Net cash (outflow)/inflow capital expenditure	<u>(120,996)</u>	<u>18,942</u>

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	346,402	70,428	-	416,830
Net funds	<u>346,402</u>	<u>70,428</u>	<u>-</u>	<u>416,830</u>

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

23. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 August 2013.

Contributions amounting to £18,852 were payable to the scheme at 31 August 2014 (2013 - £18,537) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pension Website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord

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

23. PENSION COMMITMENTS (continued)

Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £92,000, of which employer's contributions totalled £69,000 and employees' contributions totalled £23,000. The agreed contribution rates for future years are 18% for employers and varying rates of 5.5% and 7.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,678,000)	(1,313,000)
Fair value of scheme assets	830,000	621,000
Net liability	<u>(848,000)</u>	<u>(692,000)</u>

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

23. PENSION COMMITMENTS (continued)

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

	2014	2013
	£	£
Current service cost	(91,000)	(67,000)
Interest on obligation	(64,000)	(45,000)
Expected return on scheme assets	38,000	24,000
	<u> </u>	<u> </u>
Total	(117,000)	(88,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	70,000	70,000
	<u> </u>	<u> </u>

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

	2014	2013
	£	£
Opening defined benefit obligation	1,313,000	-
Current service cost	91,000	67,000
Interest cost	64,000	45,000
Contributions by scheme participants	23,000	22,000
Actuarial Losses	187,000	240,000
Inherited	-	939,000
	<u> </u>	<u> </u>
Closing defined benefit obligation	1,678,000	1,313,000
	<u> </u>	<u> </u>

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

	2014	2013
	£	£
Opening fair value of scheme assets	621,000	-
Expected return on assets	38,000	24,000
Actuarial gains and (losses)	79,000	46,000
Contributions by employer	69,000	66,000
Contributions by employees	23,000	22,000
Inherited	-	463,000
	<u> </u>	<u> </u>
	830,000	621,000
	<u> </u>	<u> </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(302,000) (2013 - £(194,000)).

The academy expects to contribute £69,000 to its Defined benefit pension scheme in 2015.

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23. PENSION COMMITMENTS (continued)

The major categories of scheme assets and the expected returns are as follows:

	2014	2013
Equities	72.00 %	71.00 %
Gilts	6.00 %	9.00 %
Other bonds	7.00 %	4.00 %
Cash	4.00 %	2.00 %
Property	11.00 %	12.00 %
Other	-	2.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.90 %	4.70 %
Rate of increase in salaries	4.50 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.90 %
Inflation assumption (CPI)	2.70 %	2.90 %
Commutation of pensions to lump sums	50.00 %	50.00 %
Inflation assumption (RPI)	3.50 %	3.70 %

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

	2014	2013
Retiring today		
Males	22.0	18.7
Females	25.1	22.8
Retiring in 20 years		
Males	24.1	20.7
Females	27.4	24.6

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014	2013
	£	£
Defined benefit obligation	(1,678,000)	(1,313,000)
Scheme assets	830,000	621,000
Deficit	<u>(848,000)</u>	<u>(692,000)</u>
Experience adjustments on scheme liabilities	(187,000)	(240,000)
Experience adjustments on scheme assets	<u>79,000</u>	<u>46,000</u>

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

24. OPERATING LEASE COMMITMENTS

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

	Land and buildings		2014 £	Other 2013 £
	2014 £	2013 £		
Expiry date:				
Between 2 and 5 years	-	-	4,240	4,240

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. The following related party transaction took place in the year:

Nottingham Learning Trust - a company in which Dominic Magner (a trustee of the trust) is a director:

- The Academy received income totalling £8,179 (2013: £Nil) during the year. A balance of £3,618 was held in debtors at 31 August 2014 (2013: £Nil).

26. MEMBERS' LIABILITY

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