
THE MILFORD ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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THE MILFORD ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr James Strawbridge Mrs Tarnia Janisse (resigned 4 November 2019) Mr Matthew Cooke Mr David Dickinson Rev Owen Page Mr Terry Smith (appointed 26 November 2020)
Governors	Mr James Strawbridge, Vice Chair Mr Jackson Njiiri Mrs Tarnia Janisse (resigned 4 November 2019) Mr Dominic Magner, Head Teacher and Accounting Officer (resigned 25 November 2020) Mr David Dickinson, Chair of Governors Mr Matthew Cooke Mrs Sarah Hickling Mrs Sarah Walker-Jones (resigned 4 November 2019) Mr Stephen Goff (appointed 4 November 2019) Ms Vi Grinnell, Acting Head Teacher and Accounting Officer (appointed 26 November 2020)
Company registered number	08163499
Company name	The Milford Academy
Registered office	The Milford Academy Dungannon Road Clifton Estate Nottingham Nottinghamshire NG11 9BT
Company secretary	Mrs Rachel Flynn
Senior management team	Dominic Magner, Head Teacher Violet Grinnell, Deputy Head Teacher Sally Simons, Head of Foundation Tori Heiden, KS1 Manager Helen Richardson, KS2 Manager Louise Butler, Achievement Manager Rachel Flynn, School Business Manager Jemma Wallace, SENCO Sarah Walker-Jones, Lead Teacher

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Independent auditor	Mazars LLP Chartered Accountants Statutory Auditor Park View House 58 The Ropewalk Nottingham NG1 5DW
Bankers	Lloyds Bank Old Market Square Nottingham NG1 6FD
Solicitors	Freeths LLP Cumberland Court 80 Mount Street Nottingham NG1 6HH

THE MILFORD ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 servicing a catchment area on the Clifton Estate.

It is working towards a pupil capacity on the main roll (Reception to Year 6) of 420 and the current number on roll is 494 (at the January 2020 School Census) which includes 90 nursery pupils.

Structure, governance and management

a. Constitution

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

b. Members' liability

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

c. Governors' indemnities

For the financial year 2019-2020, the Governors have liability Insurance with RPA / Top Marks effective date 1st September 2019. There is unlimited professional indemnity.

d. Method of recruitment and appointment or election of Governors

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

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

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

All elected governors are initially inducted via meetings with the Head Teacher 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 ongoing training throughout their role. All Governors have access to the Governors Service "GovernorHub" an online library of current topics and training available.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure

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

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

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

The Milford Academy is a larger than average sized primary school with 404 pupils in Reception to Yr. 6, a further 90 in Nursery and the 2 year old unit (January 2020). The school is popular with a good reputation locally supported by the most recent OFSTED inspection in June 2016 when the Academy was rated 'Good' The roll is steadily increasing with an anticipated move to two form entry throughout the Academy by September 2020.

The school is managed by The Academy Board, made up of 1 parent governors plus 2 vacancies (we have tried to recruit before COVID 19 lockdown), 2 staff governors, 1 community governor and 1 co-opted Governor. There are 2 sub-committees; Academy Business and Academy Development and the most recent is the Audit sub-committee from July 2020.

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

Arrangements for setting and remuneration of Key Management personnel have been delegated by the Academy Board to the Pay Sub-Committee to include the Chair, David Dickinson and Matthew Cooke. They are in turn advised by the School Improvement Partner, Emma Hollis, who is an external teacher and current Ofsted Inspector.

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

h. Trade union facility time

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

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

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

Objectives and activities

a. Objects and aims

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

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

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

b. Objectives, strategies and activities

The main objects/aims of the Trust during the year ended 31st August 2020 are summarised below:

1. Recruit and appoint a new Head Teacher at the Academy.
2. Work in partnership with the City Council to develop a COVID 19 secure site and keep site open to as many pupils as possible.
3. Ensure adequate staffing in place throughout the Academy as it expands to a two form entry school.
4. Engage with a locally based school partnership.
5. Provide appropriate sun shade protection on the site for Health & Safety and to support Outdoor Learning.
6. Implement and monitor the impact of our new whole school curriculum.
7. Achieve National Standards on all key indicators.
8. Ensure a high quality of infrastructure in all classrooms, including IT to achieve equality of opportunity for all pupils.
9. Complete the adaption of the Busy Bees Sure Start Nursery, ensuring the appropriate Lease is obtained for the building as part of the Academy.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

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.

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

The Academy continually supports the Early Learning in the Community with its 2 year old Early Start Unit in the Nursery unit. It continues to support Community projects like the Primary Parliament, Clifton foodbank, Emmanuel House and other charitable organisations. The site has been used free of charge for Children and Families Youth Workers out of hours and in the school holidays. The Academy works closely with Clifton Table Tennis Club to provide opportunities for children throughout the Clifton area to enhance their sporting skills, social skills and engagement in a healthy lifestyle. The Academy works in partnership with Nottingham University, Nottingham Trent University and the Nottingham Contemporary on teacher training, educational research and artistic projects. Our secondary schools have provided us with feedback to state that the vast majority of pupils leave the Academy "Secondary ready" and play a full part in raising Standards in the Secondary Sector.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

a. Achievements, Performance and Key Financial Performance Indicators

Staffing costs for the Academy as a percentage of charitable activities income was 83% (2019 - 88%).
Agency staff costs as a percentage of total staff costs was 3.6% (2019 - 5.2%).

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

2020 Results

There are no formal exam results for the Academy due to the impact of COVID 19.

b. 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 Trust to continue as a going concern. The Governors 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 after making appropriate enquiries, have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The Academy Trust continues to grow which enables it to support itself during times such as the recent/current pandemic, in which the school is suffering no or minimal detriment throughout the continuing situation. The school is over-subscribed and holds an excellent reputation in the community. This, together with careful financial management has resulted in the school having a positive reserve position. It is for these reasons in which the Governors have concluded 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.

Financial review

As at 31 August 2020, The Milford Academy holds unrestricted and restricted general reserves of £540k .

Every year Milford has operated as an Academy, the Board have endeavoured to retain at least 10% of the total budget (G.A.G.) as recommended by the EFA. The Board recognise that as a "stand alone" Academy potential risk factors could impact more significantly than an Academy supported by a Multi Academy Trust. Conversely the Board can demonstrate that the independence of the Academy, scrutinised by effective Governance, has allowed Milford to invest significantly in the infrastructure of the building, grow the N.O.R. year on year towards a Plan of 420 plus Nursery, invest in an experienced and well qualified staff and successfully plan for and deliver on succession planning by recruiting a new Head Teacher for January 2021 despite the negative impact of COVID-19.

The three year budget plan recognises that staffing costs as a percentage of the GAG will rise due to pay increases, increased employer contributions and inflation. These additional costs will be offset by the increasing N.O.R. which can be anticipated, additional funding related to COVID-19 and a staffing structure that will allow some flexibility in terms of cost. Some of this flexibility relates to the mentoring of Teach First Students and Unqualified Teachers who are being supported in finding routes to Qualified Teacher Status. This means that Milford can recruit well qualified and experienced N.Q.T's who reduce the total staffing costs as more experienced staff leave for promotion or in the case of the Head Teacher, retirement.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

The School Estate is in very good condition with the addition of The Milford Hub and the installation of new boilers and external pipework throughout the building which has reduced the risk of flooding. While one of our Modular Buildings may need replacing in the next ten years, funds have been set aside for this purpose over and above the 10% reserve which in years to come could replace the building in its entirety and paid for in full or alternatively pay for a leasing arrangements over a number of years.

The current budgetary plan, when the Modular funds and staffing flexibility is taken into account, allows the Board to monitor the 3 year budget forecast which unsurprisingly predicts that total reserves will reduce year on year. Therefore, additional adjustments can be made over this time if there is any suggestion that reserves will fall significantly below the required 10%. While there are of course many uncertainties about the future of school finances due to COVID-19, the Board can have great confidence in the budgetary strength of the Academy and the ability of the new Management Team to invest in the pupils at Milford to help them consistently achieve good attainment and progress and enjoy an excellent quality of education.

a. Reserves policy

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

The aim of the Reserves Policy is to return reserves of 10% of total budget as evidenced at The Academy Board Finance Committee meeting when an accurate carry forward figure can be calculated. This figure can of course vary but is nevertheless the stated aim of the Board. This figure remains the subject of review throughout the year as the Academy aims to meet all of its objectives. Currently there are no funds in deficit apart from the deficit of £2,320,000 which relates to the local government pension scheme. There are plans in place to manage this as per external actuary guidance.

Total funds at 31 August 2020 are £1,992,606 (2019: £2,429,810). Total unrestricted reserves are £229,576 (2019 - £199,657). Total restricted general funds are £310,210 (2019 - £156,110).

b. Investment policy

The Academy Trust does not have any investments.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

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

- Reductions or changes to National Funding
- Staffing costs
- Pupil numbers
- Unanticipated building costs
- Reputation of the Academy
- Academy structural organisation
- Paying for the maintenance and associated costs with the new adapted Milford Hub.
- Succession planning for the future of the Academy.
- Unanticipated cost relating to COVID 19

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

Staffing costs are currently 74% (2019 - 69%) of the total expenditure (before actuarial movements) and a remodelling of the workforce has taken place to ensure that staffing costs are affordable going forward.

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

Emergency building work has had to take place this year due to underground faulty pipework that led to underground flooding beneath the Junior hall has been replaced and superficial damage to the hall flooring has been rectified. This work was paid for by our insurers.

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

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

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

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

The Academy Board has been working with the Senior Managers and Nottingham Schools Trust to ensure "Succession Planning" is in place for the shorter and longer term interests of the Academy. A new Head Teacher has been appointed and will be in post from January 2021.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

COVID 19 has placed a significant strain on the Office due to all the additional paperwork, risk assessment and procedures that require ongoing attention on a daily basis. There have been additional staffing, cleaning and site costs associated with COVID 19 which are ongoing. These are manageable at this stage while impacting on the financial resources of the Academy. While the Academy has sought Government support for this additional expenditure there is no certainty that any additional funding will be forthcoming. The Academy submitted a claim for "Exceptional Funding relating to the coronavirus (COVID 19)" on 9th July 2020 for additional expenses amounting to £27,225.

Our OFSTED Good judgement of June 2016 is now a judgement that is over 4 years old. Due to an atypically poor set of data from the 2019 Year 6 cohort, particularly in reading the Academy recognises the need to make a renewed commitment to school improvement in partnership with the Nottingham Schools Trust to demonstrate to external partners that the school was and still is a "Good" school. The Board will play a full role in monitoring the effectiveness of the School Development Plan 2020-21 alongside the Senior Leadership Team and the School Improvement Advisor with the clear intention of evidencing unequivocally that the Academy is a Good School and this will be evidenced by standards throughout school and SATs results in May 2021 should demonstrate good progress from the Baseline established in September 2020.

The Academy has been through a robust process, ably led by the Deputy Head Vi Grinnell and the SIA Emma Hollis, to ensure all staff have had the appropriate CPD opportunities and training alongside pedagogical skills to improve standards throughout school, particularly in Reading. The external scrutiny of the SIA has evidenced clear progress in this area which will help the Academy secure a "Good" judgement at the next inspection. The Academy recognises that despite this work, the negative impact of COVID 19 on attainment and the change of leadership with a new Head Teacher in role from January 2020 are risk factors which the Board will need to monitor. Additional funding may be required this year over and above the "Catch-Up Funding" identified by the Government to help secure this judgement next year.

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

d. Financial review

Our income for the year was £2,513,287 (2019 - £2,337,020) with a deficit of £55,204 (2019 - 371,271) 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.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

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

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Governors.

Plans for future periods

The delivery of the Whole Curriculum with the necessary adaptations due to COVID-19.

Our 2020/21 School Development Plan shares the national focus on physical and mental health for our many returning children who have missed significant amounts of teaching due to COVID-19.

While recognising the primary of wellbeing, clearly there is a lot of work to be done in every year group to help children catch-up to and attain national standards.

Improved parental engagement across school to develop a love of reading to help children be more successful in terms of attainment in the short term and in the longer term enjoy reading throughout their lives supported by two new fully resourced and bespoke library areas.

Nottingham School Trust and the Board will be working in partnership to manage a successful transition in terms of Senior Leadership and help the new Head successfully improve outcomes in the school.

"Schools of Tomorrow" Arts Project Nottingham Contemporary, suspended last year, will hopefully be to impact positively at the Academy.

Funds held as custodian on behalf of others

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

THE MILFORD ACADEMY
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Disclosure of information to auditor

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on _____ and signed on its behalf by:



Mr David Dickinson
Chair of Governors

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.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The Board of Governors has formally met 5 times during the year which includes remote meetings via Zoom and Teams programmes. The second meeting of Spring Term was cancelled due to the COVID-19 pandemic. However, during the period from 23rd March 2020 to 24th July 2020 Governors were sent weekly updates. Governors were able to maintain effective oversight as they were periodically updated with budget forecasts. These forecasts were shared either by Teams meetings or via email. All Governors have been made aware of any urgent matters and updates through weekly reports to the Chair during the first lockdown due to COVID 19.

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

Governor	Meetings attended	Out of a possible
Mr James Strawbridge, Vice Chair	5	5
Mr Jackson Njiiri	4	5
Mrs Tarnia Janisse (resigned 4 November 2019)	1	1
Mr Dominic Magner (resigned 25 November 2020)	5	5
Mr David Dickinson, Chair of Governors	5	5
Mr Matthew Cooke	4	5
Mrs Sarah Hickling	3	5
Mrs Sarah Walker-Jones (resigned 4 November 2019)	0	1
Mr Stephen Goff (appointed 4 November 2019)	4	4
Ms Vi Grinnell, Acting Head Teacher and Accounting Officer (appointed 26 November 2020)	0	0

Our last external review of Governance was carried out by the Governors section at Nottingham City Council in September 2015. Then in November 2019 Governors Section from Nottingham City Council carried out the Review of Governance for all of the Governors. Each were interviewed to see where their strengths lie and where there were areas of strength in terms of overall effectiveness.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

One of the main identified areas for development included the need for an Audit Committee, this was implemented during the Summer Term with a lead Governor being elected (Matthew Cooke). The recognition that Governors should be familiar with the new Ofsted Framework. Also for the Governing Body to prepare for the leadership changes that will apply from January 2021.

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

The Finance and General Purposes Committee

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

The committee has delegated authority as follows:

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

The table above shows the number of meetings that were attended during the year.

Below is a table to represent the number of times during 2019-2020 that the Audit Committee met and this only managed to form on 16th July 2020;

Name	Autumn 2019	Spring 2020	Summer 2020	Number of Instances
Matt Cooke (Chair)	0	0	1	1
James Strawbridge	0	0	1	1
Jackson Njiri	0	0	1	1
David Dickinson	0	0	1	1
Dom Magner	0	0	1	1
Rachel Flynn	0	0	1	1

Review of value for money

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trusts' use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Academy can demonstrate value for money in the last year by virtue of the OFSTED report, (June 2016), which was good and noted the continued development of the Academy. The site, which was voted Best School Ground in Nottingham Schools in the recent past, has recently been assessed as having a capacity for 420 pupils, which has been achieved through no additional funding.

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Milford Academy for the year 1 September 2019 to 31 August 2020 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 Governors
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

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

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

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On an annual basis, the reviewer reports to the Board of Governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Reviewer delivered their schedule of works.

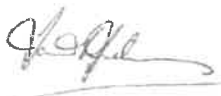
Review of effectiveness

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

- the work of the reviewer;
- the work of the external auditor;
- the 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.

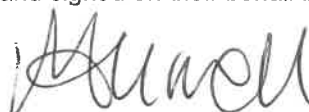
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors and signed on their behalf by:



Mr David Dickinson
Chair of Governors

Date:
17.12.2020



Ms Vi Grinnell
Accounting Officer

Date: 17th December 2020

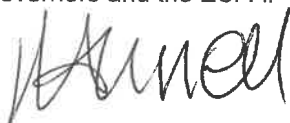
THE MILFORD ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Milford Academy I have considered my responsibility to notify the Academy Trust board of Governors and the Education & Skills Funding Agency ('the 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 2019.

I confirm that I and the Academy Trust board of Governors are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



Ms Vi Grinnell
Accounting Officer

Date: 17th December 2020

THE MILFORD ACADEMY
(A company limited by guarantee)

**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

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

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

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

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

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



Mr David Dickinson
Chair of Governors

Date:

17.12.2020

THE MILFORD ACADEMY
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of The Milford Academy (the 'Academy Trust') for the year ended 31 August 2020 which comprise the statement of financial activities, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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

THE MILFORD ACADEMY
(A company limited by guarantee)

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

Other information

The Governors 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. 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 governors' report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the incorporated strategic report.

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

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

THE MILFORD ACADEMY
(A company limited by guarantee)

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

Responsibilities of Governors

As explained more fully in the governors' responsibilities statement set out on page 18, the Governors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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

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:

THE MILFORD ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 22 September 2020 and further to the requirements of the Education and Skills Funding Agency ('the ESFA') as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Milford Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Milford Academy's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Milford Academy's funding agreement with the Secretary of State for Education dated 27 July 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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 our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

THE MILFORD ACADEMY
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date:

THE MILFORD ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	-	-	8,929	8,929	24,765
Charitable activities	4	-	2,311,134	-	2,311,134	2,158,650
Other trading activities	5	50,609	142,326	-	192,935	153,339
Investments	6	289	-	-	289	266
Total income		50,898	2,453,460	8,929	2,513,287	2,337,020
Expenditure on:						
Raising funds	7	20,979	31,505	-	52,484	63,229
Charitable activities	8	-	2,379,931	136,076	2,516,007	2,645,512
Total expenditure		20,979	2,411,436	136,076	2,568,491	2,708,741
Net expenditure		29,919	42,024	(127,147)	(55,204)	(371,721)
Transfers between funds	18	-	(32,924)	32,924	-	-
Net movement in funds before other recognised losses		29,919	9,100	(94,223)	(55,204)	(371,721)
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	25	-	(382,000)	-	(382,000)	(313,000)
Net movement in funds		29,919	(372,900)	(94,223)	(437,204)	(684,721)
Reconciliation of funds:						
Total funds brought forward		199,657	(1,636,890)	3,867,043	2,429,810	3,114,531
Net movement in funds		29,919	(372,900)	(94,223)	(437,204)	(684,721)
Total funds carried forward		229,576	(2,009,790)	3,772,820	1,992,606	2,429,810

THE MILFORD ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08163499

BALANCE SHEET
AS AT 31 AUGUST 2020

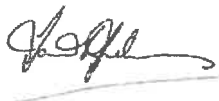
	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	3,772,820	3,867,043
		<u>3,772,820</u>	<u>3,867,043</u>
Current assets			
Stocks	14	2,612	-
Debtors	15	48,822	65,906
Cash at bank and in hand	23	635,535	565,639
		<u>686,969</u>	<u>631,545</u>
Liabilities			
Creditors: Amounts falling due within one year	16	(132,798)	(255,639)
		<u>554,171</u>	<u>375,906</u>
Net current assets			
		<u>4,326,991</u>	<u>4,242,949</u>
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	17	(14,385)	(20,139)
		<u>4,312,606</u>	<u>4,222,810</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	25	(2,320,000)	(1,793,000)
		<u>1,992,606</u>	<u>2,429,810</u>
Total net assets			
		<u><u>1,992,606</u></u>	<u><u>2,429,810</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	3,772,820	3,867,043
Restricted income funds	18	310,210	156,110
		<u>4,083,030</u>	<u>4,023,153</u>
Restricted funds excluding pension liability	18	4,083,030	4,023,153
Pension reserve	18	(2,320,000)	(1,793,000)
		<u>1,763,030</u>	<u>2,230,153</u>
Total restricted funds	18	1,763,030	2,230,153
Unrestricted income funds	18	229,576	199,657
		<u>1,992,606</u>	<u>2,429,810</u>
Total funds		<u><u>1,992,606</u></u>	<u><u>2,429,810</u></u>

THE MILFORD ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08163499

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 24 to 52 were approved and authorised for issue by the Governors and are signed on their behalf, by:

Mr David Dickinson
Chair of Governors



Date:

17.12.2020

The notes on pages 28 to 52 form part of these financial statements.

THE MILFORD ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	108,285	(56,915)
Cash flows from investing activities	22	(32,635)	(91,027)
Cash flows from financing activities	21	(5,754)	-
Change in cash and cash equivalents in the year		69,896	(147,942)
Cash and cash equivalents at the beginning of the year		565,639	713,581
Cash and cash equivalents at the end of the year	23, 24	<u>635,535</u>	<u>565,639</u>

The notes on pages 28 to 52 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The 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 Company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Other income**

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.5 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following bases:

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 Provisions

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

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

1.9 Leased assets

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

1.10 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

3. Income from donations and capital grants

	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Capital grants	8,929	8,929	24,765
Total 2019	24,765	24,765	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Academy Trust's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	1,639,349	1,639,349	1,604,222
Other DfE Group Grants	354,538	354,538	276,524
	<u>1,993,887</u>	<u>1,993,887</u>	<u>1,880,746</u>
Other government grants			
Local authority grants	317,247	317,247	277,904
	<u>317,247</u>	<u>317,247</u>	<u>277,904</u>
Total 2020	<u>2,311,134</u>	<u>2,311,134</u>	<u>2,158,650</u>
Total 2019	<u>2,158,650</u>	<u>2,158,650</u>	

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Hire of facilities	65	-	65	-
Income from other charitable activities	-	142,326	142,326	99,692
Income from ancillary trading activities	50,544	-	50,544	53,647
	<u>50,609</u>	<u>142,326</u>	<u>192,935</u>	<u>153,339</u>
Total 2020	<u>50,609</u>	<u>142,326</u>	<u>192,935</u>	<u>153,339</u>
Total 2019	<u>-</u>	<u>153,339</u>	<u>153,339</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	289	289	266
Total 2019	266	266	

7. Resources Expended

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on raising funds	-	-	52,484	52,484	63,229
Academy Trust's educational operations:					
Direct costs	1,435,011	64,477	41,223	1,540,711	1,536,469
Allocated support costs	467,265	166,596	341,435	975,296	1,109,043
Total 2020	1,902,276	231,073	435,142	2,568,491	2,708,741
Total 2019	1,893,541	400,216	414,984	2,708,741	

8. Charitable Activities

	Total 2020 £	Total 2019 £
Direct costs - educational operations	1,540,711	1,536,469
Support costs - educational operations	975,296	1,109,043
Total	2,516,007	2,645,512

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Charitable Activities (continued)

	Total 2020 £	Total 2019 £
Support Costs		
Support staff costs	467,265	459,897
Depreciation	71,599	72,275
Technology costs	42,094	9,624
Premises costs	166,596	335,739
Other support costs	214,047	166,525
Governance costs	13,695	64,983
Total	975,296	1,109,043

9. Net expenditure

This stated after charging:

	2020 £	2019 £
Depreciation of tangible assets: -owned by the charity	136,076	136,752
Auditors remuneration	6,720	6,400
Auditor remuneration - non-audit costs	3,235	3,090
Operating lease rentals	9,884	2,530

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	1,316,671	1,332,155
Social security costs	109,002	113,068
Pension costs	406,798	349,359
	<u>1,832,471</u>	<u>1,794,582</u>
Agency staff costs	67,900	98,959
Staff restructuring costs	1,905	-
	<u>1,902,276</u>	<u>1,893,541</u>

Staff restructuring costs comprise:

Severance payments	<u>1,905</u>	<u>-</u>
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b. Staff numbers

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

	2020	2019
	No.	No.
Teachers	15	15
Administration and support	56	57
Management	9	8
	<u>80</u>	<u>80</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
£70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Governors 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 £467,032 (2019 - £442,316).

11. Related party transactions - Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2020 £000	2019 £000
Mr Dominic Magner, Head Teacher and Accounting Officer	Remuneration	75 - 80	75 - 80
	Pension contributions paid	15 - 20	10 - 15
Mrs Louise Butler	Remuneration	-	20 - 25
	Pension contributions paid	-	0 - 5
Mrs Sarah Hickling	Remuneration	20 - 25	15 - 20
	Pension contributions paid	5 - 10	0 - 5
Mrs Sarah Walker-Jones	Remuneration	5 - 10	15 - 20
	Pension contributions paid	0 - 5	0 - 5
Mr Stephen Goff	Remuneration	30 - 35	-
	Pension contributions paid	5 - 10	-

During the year ended 31 August 2020, no Governor expenses have been incurred (2019 - £NIL).

12. Governors' and Officers' insurance

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Tangible fixed assets

	Long-term leasehold property £	Leasehold Improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	3,942,244	325,070	144,619	88,487	4,500,420
Additions	-	26,532	10,495	4,826	41,853
At 31 August 2020	3,942,244	351,602	155,114	93,313	4,542,273
Depreciation					
At 1 September 2019	413,563	73,144	83,303	63,367	633,377
Charge for the year	64,477	35,160	19,389	17,050	136,076
At 31 August 2020	478,040	108,304	102,692	80,417	769,453
Net book value					
At 31 August 2020	3,464,204	243,298	52,422	12,896	3,772,820
At 31 August 2019	3,528,681	251,926	61,316	25,120	3,867,043

14. Stocks

	2020 £	2019 £
Goods for resale	2,612	-

15. Debtors

	2020 £	2019 £
Due within one year		
VAT Recoverable	13,054	22,562
Other debtors	2,126	-
Prepayments and accrued income	33,642	43,344
	48,822	65,906

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	5,754	-
Trade creditors	1,795	16,891
Other taxation and social security	-	26,525
Other creditors	-	29,692
Accruals and deferred income	125,249	182,531
	<u>132,798</u>	<u>255,639</u>
	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	61,199	54,809
Resources deferred during the year	113,206	61,199
Amounts released from previous periods	(61,199)	(54,809)
Deferred income at 31 August 2020	<u>113,206</u>	<u>61,199</u>

The deferred income at 31 August 2020 relates to:

- £34,095 UIFSM
- £72,088 Early Years High
- £3,718 Additional Inclusion Allowance
- £3,305 High Level Needs

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Salix loan	14,385	20,139

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	199,657	50,898	(20,979)	-	-	229,576
Restricted general funds						
General Annual Grant (GAG)	125,557	1,639,349	(1,451,729)	(32,924)	-	280,253
Pupil Premium	30,553	156,957	(157,553)	-	-	29,957
Other grants	-	657,154	(657,154)	-	-	-
Pension reserve	(1,793,000)	-	(145,000)	-	(382,000)	(2,320,000)
	(1,636,890)	2,453,460	(2,411,436)	(32,924)	(382,000)	(2,009,790)
Restricted fixed asset funds						
Transfer on conversion	3,000,500	-	(54,594)	-	-	2,945,906
DfE Group capital grants	439,933	8,929	(41,367)	-	-	407,495
Capital expenditure from GAG	426,610	-	(40,115)	32,924	-	419,419
	3,867,043	8,929	(136,076)	32,924	-	3,772,820
Total Restricted funds	2,230,153	2,462,389	(2,547,512)	-	(382,000)	1,763,030
Total funds	2,429,810	2,513,287	(2,568,491)	-	(382,000)	1,992,606

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds (continued)

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	3,772,820	3,772,820
Current assets	229,576	457,393	-	686,969
Creditors due within one year	-	(132,798)	-	(132,798)
Creditors due in more than one year	-	(14,385)	-	(14,385)
Provisions for liabilities and charges	-	(2,320,000)	-	(2,320,000)
Total	229,576	(2,009,790)	3,772,820	1,992,606

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per statement of financial activities)	(55,204)	(371,721)
Adjustments for:		
Depreciation charges	136,076	136,752
Investment income	(289)	(266)
Increase in stocks	(2,612)	-
Decrease in debtors	17,084	18,655
(Decrease)/increase in creditors	(122,841)	35,430
Capital grants from DfE and other capital income	(8,929)	(24,765)
Defined benefit pension scheme adjustment	145,000	149,000
Net cash provided by/(used in) operating activities	108,285	(56,915)

21. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowing	(5,754)	-
Net cash (used in)/provided by financing activities	(5,754)	-

22. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	289	266
Purchase of tangible fixed assets	(41,853)	(116,058)
Capital grants from DfE Group	8,929	24,765
Net cash used in investing activities	(32,635)	(91,027)

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	635,535	565,639

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	565,639	69,896	635,535
Debt due within 1 year	-	(5,754)	(5,754)
Debt due after 1 year	(20,139)	5,754	(14,385)
	<u>545,500</u>	<u>69,896</u>	<u>615,396</u>

25. Pension commitments

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 Nottinghamshire County Council Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £Nil were payable to the schemes at 31 August 2020 (2019 - £23,938) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £162,672 (2019 - £118,174).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 2020 was £125,000 (2019 - £109,000), of which employer's contributions totalled £96,000 (2019 - £83,000) and employees' contributions totalled £ 29,000 (2019 - £26,000). The agreed contribution rates for future years are 18.3 per cent for employers and varying rates of 5.5 and 7.5 per cent 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.60	1.85

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	21.7
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.2	23.3
Females	25.9	26.2

Sensitivity analysis

	At 31	At 31
	August	August
	2020	2019
	£000	£000
Discount rate +0.1%	100	79
Discount rate -0.1%	(102)	(81)
Mortality assumption - 1 year increase	(153)	(130)
Mortality assumption - 1 year decrease	147	125
Salary increase rate +0.1%	(11)	(9)
Salary increase rate -0.1%	11	9

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

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

	2020 £	2019 £
Equities	1,025,000	1,038,000
Gilts	67,000	54,000
Other bonds	147,000	143,000
Property	226,000	220,000
Cash	67,000	49,000
Other	184,000	160,000
Total market value of assets	1,716,000	1,664,000

The actual return on scheme assets was £58,000 (2019 - £73,000).

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

	2020 £	2019 £
Current service cost	(207,000)	(167,000)
Past service cost	-	(30,000)
Interest income	31,000	41,000
Interest cost	(64,000)	(75,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the statement of financial activities	(241,000)	(232,000)

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

	2020 £	2019 £
At 1 September	3,457,000	2,840,000
Current service cost	207,000	167,000
Interest cost	64,000	75,000
Employee contributions	29,000	26,000
Actuarial losses/(gains)	333,000	345,000
Benefits paid	(54,000)	(26,000)
Past service costs	-	30,000
At 31 August	4,036,000	3,457,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

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

	2020	2019
	£	£
At 1 September	1,664,000	1,509,000
Interest income	31,000	41,000
Actuarial (losses)/gains	(49,000)	32,000
Employer contributions	96,000	83,000
Employee contributions	29,000	26,000
Benefits paid	(54,000)	(26,000)
Admin expenses	(1,000)	(1,000)
At 31 August	1,716,000	1,664,000

26. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Amounts payable:		
Not later than 1 year	10,295	2,875
Later than 1 year and not later than 5 years	20,485	4,530
Total	30,780	7,405

27. 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.

**NOTES TO THE FINANCIAL STATEMENTS
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28. 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the 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.

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