

COMPANY REGISTRATION NUMBER 07605059

**Thomas Mills High School
Company Limited by Guarantee
Financial Statements
31 August 2012**

Thomas Mills High School Company Limited by Guarantee

Financial Statements

Period from 14 April 2011 to 31 August 2012

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Thomas Mills High School Company Limited by Guarantee

Reference and Administrative Details

Company Name	Thomas Mills High School	
Company Registration Number	07605059	
Principal and Registered Office	Saxtead Road Woodbridge Suffolk England IP13 9HE	
Governors	Mr S P Lovett Ms G W Christie Ms R Cresdee Mr R Hanley Mr B N Hinton Mr G C Hirst Ms B N Howard Ms S B Hutchings Mr B Morron Mr M Mugliston Mrs S Paull Ms S J Preston Ms M Riley Mr S A Roberts Mr D W Stewart Ms S E Thorne Mr M G Wright	Appointed 14 April 2011 Appointed 6 October 2011 Appointed 6 October 2011 Appointed 6 October 2011 Appointed 6 October 2011 Appointed 14 April 2011 Appointed 14 April 2011 Appointed 6 October 2011 Appointed 9 February 2012 Appointed 6 October 2011 Appointed 6 October 2011 Appointed 6 October 2011 Appointed 9 February 2012 Appointed 6 October 2011 Appointed 14 April 2011 Appointed 14 April 2011 Appointed 9 February 2012
Senior Management Team	Headteacher Deputy Headteacher Deputy Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher	Mr G Colin Hirst Miss Elizabeth Halley Mr John Hibberd MBE Mr John Jennings Mr Dennis Tattoo Mr Mark Wheeler

Thomas Mills High School Company Limited by Guarantee

Reference and Administrative Details *(continued)*

Independent Auditor

MHA MacIntyre Hudson
Chartered Accountants
& Statutory Auditor
Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Bankers

Barclays Bank PLC
4 Church Street
Woodbridge
Suffolk
England
IP12 1DJ

Solicitors

Jackaman, Smith & Mulley
Park House
Mere Street
Diss
Norfolk
England
IP22 4JY

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report

Period from 14 April 2011 to 31 August 2012

The Governors, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charitable company for the period from 14 April 2011 to 31 August 2012.

Reference and administrative details

Reference and administrative details are shown in the schedule of reference and administrative details on pages 1 to 2 of the financial statements.

The Governors

The Governors who served the academy during the period were as follows:

Mr S P Lovett	appointed 14 April 2011
Ms G W Christie	appointed 6 October 2011
Ms R Cresdee	appointed 6 October 2011
Mr R Hanley	appointed 6 October 2011
Mr B N Hinton	appointed 6 October 2011
Mr G C Hirst	appointed 14 April 2011
Ms B N Howard	appointed 14 April 2011
Ms S B Hutchings	appointed 6 October 2011
Mr B Morron	appointed 9 February 2012
Mr M Mugliston	appointed 6 October 2011
Mrs S Paull	appointed 6 October 2011
Ms S J Preston	appointed 6 October 2011
Ms M Riley	appointed 9 February 2012
Mr S A Roberts	appointed 6 October 2011
Mr D W Stewart	appointed 14 April 2011
Ms S E Thorne	appointed 14 April 2011
Mr M G Wright	appointed 9 February 2012

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Period from 14 April 2011 to 31 August 2012

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of Thomas Mills High School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Thomas Mills High School.

Details of the Governors who served throughout the period as noted are included in the Reference and Administrative Details on page 1.

The governors carry out many of their detailed functions through a number of committees which report to the whole Governing Body. The two principal committees are the Finance Committee and the Personnel and Performance Committee. Other permanent committees looking in detail at aspects of the governors' responsibilities are: the Audit Committee, the Land and Buildings Committee and the School Trusts Committee. In addition the following meet as required to consider specific cases and issues: Staff Selection Committee, Discipline Committee, Staff Determinations Committee, Appeals Committee and Complaints Panel. Of this last group only the Staff Selections Committee has been called upon to meet during this accounting period.

Governors have approved a detailed Scheme of Internal Delegation detailing powers delegated to these committees and to individuals, including specific governors as well as the Headteacher.

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.

Governors' Indemnities

The Trust has obtained indemnity insurance to cover the Members and Governors in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Insurer: Zurich Municipal; Limit of Indemnity: £2,000,000, Fidelity Guarantee £1,000,000.

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report *(continued)*

Period from 14 April 2011 to 31 August 2012

Principal Activities

The Academy's Trust principal object in its Memorandum and Articles of Association is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

It's other object is to promote for the benefit of the inhabitants of Framlingham and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Method of Recruitment and Appointment or Election of Governors

Members

The members of the Academy Trust are:

- Signatories to the Memorandum of Association.
- One person appointed by the Secretary of State in the event the Secretary of State appoints a person for this purpose.
- The Chair of Governors and additional members may be appointed if members agree unanimously in writing.

Governors

The number of Governors shall be no less than three and shall not be subject to any maximum.

The Academy Trust shall have the following Governors:

- Up to 4 Governors appointed by Members.
- Staff Governors not exceeding one third of the total number of Governors, consisting of 2 elected by teaching staff and 1 elected by support staff.
- One Local Authority appointed Governor.
- Six Parent Governors elected by parents of registered pupils of the Academy.
- The Principal.
- Any Additional and Further Governors appointed by the Secretary of State (none at present).
- Up to 3 governors co-opted by the Governing Body.

The Governing Body has chosen to co-opt two long serving governors of the previous maintained school, both of whom have substantial business expertise. There is currently one vacancy for a co-opted governor.

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report *(continued)*

Period from 14 April 2011 to 31 August 2012

Policies and Procedures Adopted for the Induction and Training of Governors

All Governors receive a welcome pack and a personal briefing. Documents relating to contemporary developments are circulated, when available, to Governors together with the Handbook for Training and Support offered by the Local Authority. Governors are offered and encouraged to take part in training which is arranged to suit individual as well as group requirements.

All members and Governors give of their time freely and no remuneration was paid in the period. No expenses were claimed during the period.

Organisational Structure

The organisational structure consists of three levels; the Governors, Governing Body Committees and the Management Team. Committees exist for; Finance, Personnel and Performance Review, Audit, Land and Buildings, Appeals, Pupil Discipline, Staff Determinations and Staff Selection. Committees of the Governing Body have delegated responsibilities.

The Governors delegate the day-to-day running of the school to the Headteacher and Senior Management Team. The Governors are responsible for setting general policy, approving the annual budget, monitoring the use of funding, budgets and making decisions about the direction of the Academy, capital expenditure, senior staff appointments and, lastly, both supporting the work of and holding to account the Headteacher and staff (including for the performance of the school against agreed targets). The Headteacher is the Accounting Officer.

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

The Governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed Customer Services Direct, to discharge the role of Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis CSD undertake an independent review of the financial systems and provide a written report providing feedback on how the Academies Financial affairs are being discharged. The report is presented to Governors termly. The report includes action points identifying any areas for improvement.

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Period from 14 April 2011 to 31 August 2012

This provides the Governing body with assurance that:

- The financial responsibilities of the governing body are being properly discharged.
- Resources are being managed in an efficient, economical and effective manner.
- Sound systems of internal financial control are being maintained.
- Financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Connected Organisations, including Related Party Relationships

The Academy has undertaken to support the work of four local primary schools which were judged 'satisfactory' by Ofsted at the time it was incorporated: namely, the schools situated in Dennington, Earl Soham, Easton and Wickham Market. We also work closely with two other local primary schools that are part of our pyramid, Sir Robert Hitcham's School at Framlingham and Charsfield School. Regular meetings agree and monitor targets, joint programmes of work and other support by teachers from the Academy. During the accounting period, we were delighted to note that Earl Soham School was re-inspected by Ofsted and judged to be 'good'.

Several charities that are independent of the Academy and report separately to the Charity Commission nevertheless have close connections with our work:

- (1) The Friends of Thomas Mills High School (registered charity 298599) provides benefits for the school and during this accounting period reimbursed in full the net cost of a new minibus.
- (2) The Mills Educational Foundation (registered charity 310475) provides up to half its income for 'special benefits' for the school and the rest is spent on individual grants to children being educated in or living in the town of Framlingham.
- (3) The Michael Sims Memorial Fund (registered charity 297530) provides travel and other grants for pupils of the school and may also make certain grants to the school itself.
- (4) Prickett Memorial Awards (registered charity 1075348) provides an annual scholarship to a student who leaves the school to take up a place to study a modern foreign language at university.
- (5) Thomas Mills Prizes (registered charity 1075349) provides a number of annual prizes awarded in the school.
- (6) Thomas Mills Tercentenary Fund (registered charity 1098741) was originally established by the school with money specifically raised to fund approved projects in the Third World.

Of these, the Headteacher is an ex officio trustee of (1), (3) and (6) and governors have specific power to appoint one or more trustees of (4), (5) and (6). Currently, Members and teachers also sit as trustees on all of them except (2).

In addition a number of other charities have in recent years (but not in the current accounting period) given generous support to specific projects for the school, especially the Mills Charity (registered number 207259).

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Period from 14 April 2011 to 31 August 2012

Objectives and Activities

Objects and Aims

Vision, Values and Philosophy

Vision Statement

We, the staff and governors, aspire to ensure that all our students, irrespective of ability and regardless of anyone's doubts, achieve their potential in full; and we aspire in this way to make Thomas Mills High School the best in the country.

Charter of Values

We, the staff, pupils and governors of Thomas Mills High School, regard the following twelve values as central to our purpose:

1. A love of learning for its own sake.
2. Vigour and optimism in embracing the future.
3. The intrinsic virtue of persistent hard work.
4. Acceptance of personal responsibility.
5. Equal value accorded to all persons.
6. Courtesy, self-discipline and respect for others.
7. A determination to achieve excellence in all we do.
8. Honesty, moral courage and integrity.
9. Good fellowship.
10. Service to others.
11. Leadership and enterprise.
12. Respect for the traditions and achievements of the school.

Philosophy

The school is its pupils. Thomas Mills High School is proud to be a comprehensive school and to have established an exceptionally strong local reputation for the quality of education provided here. We are also proud of the part we play at the heart of the local community.

Success is evaluated in terms of our challenging Vision Statement and actions are guided by our agreed values. Decisions are tested by the question, "What is in the true interests of the pupils?"

Members of the teaching and support staff are the school's principal resource and are entitled to be treated fairly and professionally at all times and to be given the means to develop their roles. Members of staff seek to create constructive partnerships with all those who contribute to the education and welfare of pupils, especially parents.

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Period from 14 April 2011 to 31 August 2012

Objectives, Strategies and Activities

The following is a brief summary of some of the main objectives of the school during the last period towards which it acted:

1. To pursue the Vision Statement by continually striving to improve further the standards of teaching and learning. This is done by a variety of means including the monitoring of pupil performance and making appropriate interventions to support underachieving individuals, reforming the curriculum to give more opportunities to pupils to experience success and build self-confidence, providing opportunities for teaching staff to reflect on their practice and so foster effective teaching styles, regular quality assurance lesson observations. This work has been monitored closely both by SMT and by the Personnel and Performance Committee throughout the period being reported.
2. To exploit the opportunities provided by Academy status to strengthen the work of the school. This has included merging the systems for evaluation and development planning to promote clearer strategic thinking, revising all Governors' policies and writing new ones to ensure compliance with academy requirements and good practice, taking proper control of land and buildings with a new manager whose work is overseen by the Land and Buildings Committee and who has produced a more coherent strategic plan, ensuring compliance with all financial requirements and a review of all services previously provided by the LA to ensure that the academy receives value for money.
3. To continue to provide a Sports Centre for Framlingham at the school but not funded by academy grants.

Public Benefit

In exercising their powers and duties, the Governing Body has due regard at all times to Charity Commission guidance on public benefit and a statement of the legal duties of governors as charity trustees is included for ease of reference in the Academy's Handbook of Governance. The Academy Trust was established to provide (without fees or charges) high quality education to boys and girls of all abilities and aged 11 - 18 years in the local area for whom a place is available and whose parents opt to send them to the school.

The Governing Body has opted to continue the same admissions policy as that which applied to the maintained school that existed before the Academy Trust was established. It is administered in full co-operation with the Local Authority. The policy is fully compliant with national regulations, thus ensuring fair treatment of all applicants.

Governors have robust policies on equality and community cohesion which comply with current legal requirements.

Governors have regard to the environmental impact of the school and are "committed to reducing by all practicable and affordable means those effects of our activities which are potentially harmful to the local, national and global environment" (Environmental Policy).

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Period from 14 April 2011 to 31 August 2012

Achievements and Performance

1. "To pursue the Vision Statement by continually striving to improve further the standards of teaching and learning." This objective is best measured by outcomes and two sets of public examination results have been received during this accounting period:

In Summer 2011, Year 11 raw outcomes were slightly down on the previous two years, largely due to the different ability profile of the year group. However, when considered in the wider context, Ofsted's RAISEonline analysis shows that attainment was significantly above national figures for 5 or more A*- C grades; 5 or more A*-C grades (inc English and Maths); 5 or more A*-G grades; total points score (both capped and uncapped); average points score in English; and also in Mathematics. Progress was also above national figures when measuring performance in the best 8 GCSEs and also in the core subjects of English, Mathematics and Science.

In Summer 2012, the percentage of Year 11 pupils gaining 5 or more A*-C grades rose to 73%, reflecting improved results in Mathematics. Other notable successes included a rise in the percentage of pupils gaining one or more modern languages (69%). Value Added analysis from RAISEonline is awaited.

Summer 2012 also saw the first sitting of a substantial number of GCSEs at the end of Year 10. These results were very encouraging and Year 10 even managed to outperform Year 11 in Mathematics and Additional Science, in spite of lower prior attainment figures. Final results will not be known for this year group until Summer 2013, nor will a full analysis be possible before then.

2. "To exploit the opportunities provided by Academy status to strengthen the work of the school." Success can be assessed in a number of ways:
 - a) The new evaluation and development planning system has bedded in very quickly at both whole school and department level. It was used as a tool by the Ofsted subject inspection of religious education.
 - b) Governors have a complete set of academy compliant policies at the end of the first period of academy operation.
 - c) A coherent Land and Buildings Plan has been produced and capital grants for major improvements to draining, electrical installations and windows have been awarded. These works have been needed for many years but were never possible to achieve under the Local Authority's control.
 - d) The financial systems of the academy were judged to be outstanding in three successive Responsible Officer visits during the period.
 - e) Carefully considered decisions on contracts have allowed the academy to maximise value for money in areas previously controlled by the Local Authority and to decide on a case by case basis whether to continue or replace existing contracts.
3. "To continue to provide a Sports Centre for Framlingham at the school but not funded by academy grants." The Sports Centre has continued to operate and has had 19,924 customers during the academic year 2011-12.

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report *(continued)*

Period from 14 April 2011 to 31 August 2012

Going Concern

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

Key Financial Performance Indicators

Thomas Mills High School converted to Academy status on 1st June 2011 and is a school rated "outstanding" by Ofsted in October 2006, as confirmed by a further 'interim assessment' in July 2010. In February 2012, an Ofsted subject survey inspection of religious education similarly judged that to be outstanding.

The four Responsible Officer visits during the first period of Academy status each led to a rating of 'outstanding' for financial and governance systems.

The total number of students on role in the year ended 31st August 2012 numbered 1,107. From 1st September 2012 the Academy has a PAN (Pupil Admissions Number) each year of 168.

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Period from 14 April 2011 to 31 August 2012

Financial Review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the Education Funding Agency (EFA) during the period ended 31st August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also has been in receipt of capital grants from the EFA through the bid process for Capital maintenance fund. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31st August 2012, total expenditure of £7,339,196 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds) was £68,083. This includes a £245,000 expense for the pension liability transferred on conversion.

At 31st August 2012 the net book value of fixed assets was £8,263,747 and movements in tangible fixed assets are shown in the note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Upon Academy conversion, a number of assets have been recognised as gifted to the Academy. These include fixed assets (£8,324,272) and unspent delegated budget upon closure of the Local Authority School (£177,377).

In accordance with FRS17, the Academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31st August 2012 and is shown in note 18 to the financial statements.

Financial and Risk Management Objectives and Policies

Financial and Risk Management Objectives and Policies

During the first period as an Academy the school has reviewed and updated the following financial policies:

- Risk Management Policy
- Finance Policy
- Record of Financial Responsibility
- Scheme of Internal Delegation
- Accounting Policies
- Handbook of Governance
- Financial Probity
- Charges and Remissions Policy
- Best Value Statement
- Governors' Expenses

The Members and Governors are aware that the Local Government Pension Scheme Pension Funds is in deficit. In line with the risk management plan the Governors consider the annual Actuary Report and as part of prudent financial management ensure future staff costs are assessed in the light of the likely need to increase future employer's contributions.

Thomas Mills High School Company Limited by Guarantee

Governors' Annual Report (*continued*)

Period from 14 April 2011 to 31 August 2012

Principal Risks and Uncertainties

The school has a comprehensive Risk Management Plan which identifies the main risks to the school and the methods and strategies employed to mitigate those risks. The Governors with Senior Managers review the plan and the controls in place on an annual basis.

The key area of risk to a newly converted academy is financial and compliance with legislation with being a new company. The school has bought in financial support and advice to ensure this risk is minimised to a minimal level.

Reserves Policy

The Academy held fund balances at 31st August 2012 totalling £8,121,573. Of this balance, £141,457 relates to restricted general funds, £8,189,656 relates to the restricted fixed asset fund, £127,460 relates to unrestricted funds and a deficit of £337,000 relates to the pension reserve.

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Under DFE guidelines, the Academy is allowed to carry forward up to 2% of its GAG funding for recurrent purposes and a further 10% for capital purposes. In the Academy's initial year a Reserves Policy has not been formalised but the Governors are mindful of:

- The need to spend funds in the year of receipt or subsequently. This entails holding appropriate reserves.
- The need to show a level of prudence and good financial planning to cover the unexpected and unplanned so that the Academy's primary object is preserved under unforeseen circumstances.

The routine financial management of the school includes:

- Where income levels can be exceeded, to balance the need to bring forward planned expenditure, referring to the school development plan and building/maintenance plan, against cash flow and risk of unforeseen events.
- Where income levels fall below budgetary plans, measures will be taken to reduce expenditure to permit a lower sustainable income.

Investment Policy

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds.

Thomas Mills High School Company Limited by Guarantee

Governors Annual Report (*continued*)

Period from 14 April 2011 to 31 August 2012

Plans for future periods

The Members and Governors will continue to pursue the aims and objects of the school according to the prevailing circumstances. The aims and objects may be modified if circumstances dictate.

Governors will continue to focus on:

- Improving teaching and learning as the means to achieve the Vision Statement.
- Developing and updating educational facilities at the school within the constraints of current and predicted funding levels.
- Improving the general management of land, buildings and related matters in order to ensure the best use of public money and the governors' overall policy objectives.
- Securing the future of the school during a period of financial restraint and changes in personnel.
- Managing the Sports Centre as a public benefit for the local community.

Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the 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.

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
Thomas Mills High School
Saxtead Road
Woodbridge
Suffolk
IP13 9HE

Signed on behalf of the Governors

Mr S Lovett
Member and Chair of Governors

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Thomas Mills High School Company Limited by Guarantee

Governance Statement

Period from 14 April 2011 to 31 August 2012

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Thomas Mills High School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 6 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
G Christie	6	6
R Cresdee	4	6
R Hanley	5	6
B Hinton	5	6
C Hirst	4	4
B Howard	6	6
S Hutchings	5	6
S Lovett	5	6
B Morron	4	4
M Mugliston	5	5
S Paul	4	6
S Preston	5	6
M Riley	3	4
S Roberts	5	6
D Stewart	5	6
S Thorne	5	6
M Wright	4	4

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to make recommendations to the Governing Body on all financial and budgetary matters which are not delegated and to exercise delegated powers in relation to competitive tendering and authorisation of contracts (both up to a limit of £49,999); and also with regard to ensuring compliance with financial regulations, the production of annual accounts, the approval of Lettings Charging Guidelines and the revision of the Risk Register. Attendance at meetings in the period was as follows:

Thomas Mills High School Company Limited by Guarantee

Governance Statement (*continued*)

Period from 14 April 2011 to 31 August 2012

Governor	Meetings attended	Out of a possible
B Hinton	2	4
C Hirst	4	4
B Howard	4	4
S Hutchings	3	4
S Lovett	4	4
S Roberts	2	4
D Stewart	3	4

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Thomas Mills High School 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 Thomas Mills High School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body 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 Governing Body 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 period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body.
- Regular reviews by the Finance Committee of reports which indicate financial performance against 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.

Thomas Mills High School Company Limited by Guarantee

Governance Statement (*continued*)

Period from 14 April 2011 to 31 August 2012

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Customer Services Direct to fulfil the Responsible Officer ('RO') role. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The RO's function has been fully delivered in line with the EFA's requirements and no material control issues arose.

In the period under review only minor points have been raised and the controls in place were considered "outstanding".

Review of Effectiveness

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

- The work of the Responsible Officer.
- The work of the external auditor.
- The financial management and governance self-assessment process.
- The work of the Academy Finance Manager and the Academy Business Manager within the Academy Trust who have the 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 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 Governing Body on and signed on its behalf by:

Signed

Signed

Mr S Lovett
Member and Chair of Governors

Mr G C Hirst
Accounting officer

Thomas Mills High School Company Limited by Guarantee

Statement on Regularity, Propriety and Compliance

Period from 14 April 2011 to 31 August 2012

As accounting officer of Thomas Mills High School Academy Trust I have considered my responsibility to notify the academy trust's Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust's Governing Body are able to identify any material irregular or improper use of 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Mr G C Hirst
Accounting Officer

Thomas Mills High School Company Limited by Guarantee

Statement of governors' responsibilities

Period from 14 April 2011 to 31 August 2012

The Governors (who act as trustees for the charitable activities of Thomas Mills High School and are also the directors of Thomas Mills High School for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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 in the Charities SORP;
- 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 operation.

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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the governing body on and signed on its behalf by:

Mr S Lovett
Member and Chair of Governors

Thomas Mills High School Company Limited by Guarantee

Independent Auditor's Report to the Members of the Thomas Mills High School

Period from 14 April 2011 to 31 August 2012

We have audited the financial statements of Thomas Mills High School for the period from 14 April 2011 to 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies: Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Responsibilities of the Governors (set out on page 15), the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at period from 14 April 2011 to 31 August 2012 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Thomas Mills High School Company Limited by Guarantee

Independent Auditor's Report to the Members of Thomas Mills High School (*continued*)

Period from 14 April 2011 to 31 August 2012

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

JAMES GARE ACA DChA (Senior
Statutory Auditor)
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants
& Statutory Auditor

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Thomas Mills High School Company Limited by Guarantee

Independent Reporting Accountant's Assurance Report on Regularity to Thomas Mills High School and the Education Funding Agency

Period from 14 April 2011 to 31 August 2012

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Thomas Mills High School during the period 14 April 2011 to 31 August 2012 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 Thomas Mills High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Thomas Mills High School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Thomas Mills High School and the EFA, for our work, for this report, or for the opinion we have formed.

Respective responsibilities of Thomas Mills High School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Thomas Mills High School's funding agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook as published by the DfES in 2006, 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 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 14 April 2011 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

**Thomas Mills High School
Company Limited by Guarantee**

**Independent Reporting Accountant's Assurance Report on Regularity to Thomas Mills High School and
the Education Funding Agency (*continued*)**

Period from 14 April 2011 to 31 August 2012

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 14 April 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson
Chartered Accountants

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Thomas Mills High School Company Limited by Guarantee

Statement of Financial Activities (Incorporating the Income and Expenditure Account)

Period from 14 April 2011 to 31 August 2012

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds Period from 14 Apr 11 to 31 Aug 12 £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	46,515	113,443	8,252,208	8,412,166
Activities for generating funds	3	79,846	–	–	79,846
Investment income	4	575	–	–	575
Funding for academy's educational operations	5	–	6,688,800	23,069	6,711,869
Other income from educational operations	6	110,560	250,753	–	361,313
Total incoming resources		237,496	7,052,996	8,275,277	15,565,769
Resources expended					
Charitable activities	8	(110,036)	(6,698,817)	(234,702)	(7,043,555)
Pension scheme liability transferred	18	–	(245,000)	–	(245,000)
Governance costs	9	–	(50,641)	–	(50,641)
Total resources expended		(110,036)	(6,994,458)	(234,702)	(7,339,196)
Net incoming resources before transfers	10	127,460	58,538	8,040,575	8,226,573
Transfer between funds		–	(149,081)	149,081	–
Net income for the period		127,460	(90,543)	8,189,656	8,226,573
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes		–	(105,000)	–	(105,000)
Net movement in funds		127,460	(195,543)	8,189,656	8,121,573
Reconciliation of funds					
Total funds brought forward		–	–	–	–
Total funds carried forward		127,460	(195,543)	8,189,656	8,121,573

The Statement of Financial Activities includes all gains and losses in the period and therefore a statement of total recognised gains and losses has not been prepared.

All of the academy trust's activities derive from continuing operations in the current financial period.

The accounting policies and notes on pages 28 to 50 form part of these financial statements.

Thomas Mills High School Company Limited by Guarantee

Balance Sheet

31 August 2012

	Note	£	31 Aug 12 £
Fixed assets			
Tangible assets	14		8,263,747
Current assets			
Stocks		1,570	
Debtors	15	204,853	
Cash at bank and in hand		448,102	
		<u>654,525</u>	
Creditors: amounts falling due within one year	16	<u>(394,014)</u>	
Net current assets			260,511
Total assets less current liabilities			<u>8,524,258</u>
Creditors: amounts falling due after more than one year	17		<u>(65,685)</u>
			8,458,573
Provisions for liabilities			
Pensions	18		<u>(337,000)</u>
Net assets			<u><u>8,121,573</u></u>
Funds	20		
Restricted funds:			
Restricted fixed asset funds		8,189,656	
General funds		141,457	
Pension reserve	18	<u>(337,000)</u>	
Total restricted income funds			7,994,113
Unrestricted income funds			127,460
Total funds			<u><u>8,121,573</u></u>

The Balance sheet continues on the following page.
The accounting policies and notes on pages 28 to 50 form part of these financial statements.

Thomas Mills High School Company Limited by Guarantee

Balance Sheet *(continued)*

31 August 2012

These financial statements were approved by the Governors, and authorised for issue on
and are signed on their behalf by:

Mr S Lovett
Member and Chair of Governors

Company Registration Number: 07605059

The accounting policies and notes on pages 28 to 50 form part of these financial statements.

Thomas Mills High School Company Limited by Guarantee

Cash Flow Statement

Period from 14 April 2011 to 31 August 2012

	Note	Period from 14 Apr 11 to 31 Aug 12	
		£	£
Net cash inflow from operating activities	26		588,601
Returns on investments and servicing of finance	27		
Interest received		575	
Net cash inflow from returns on investments and servicing of finance			575
Capital expenditure	28		(108,213)
Cash inflow before financing			480,963
Financing			
Net cash outflow from financing	29		(32,861)
Increase in cash			448,102
Analysis of changes in net funds			
	14 Apr 11	Cash flows	31 Aug 12
	£	£	£
Cash in hand and at bank	–	448,102	448,102
Debt due less than 1 year	–	(16,413)	(16,413)
Debt due after 1 year	–	(65,685)	(65,685)
	–	<u>366,004</u>	<u>366,004</u>

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

The accounting policies and notes on pages 28 to 50 form part of these financial statements.

Thomas Mills High School Company Limited by Guarantee

Accounting Policies

Period from 14 April 2011 to 31 August 2012

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Charity Commission Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated Services and Gifts in Kind

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

Thomas Mills High School Company Limited by Guarantee

Accounting Policies *(continued)*

Period from 14 April 2011 to 31 August 2012

Resources expended

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

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

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 Education Funding Agency, Department for Education and other funders where the asset acquired or created is held for a specific purpose.

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

Thomas Mills High School Company Limited by Guarantee

Accounting Policies *(continued)*

Period from 14 April 2011 to 31 August 2012

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Assets transferred at inception have been included at the estimated depreciated replacement cost.

Depreciation on fixed assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 as appropriate.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	50 years
Plant & Machinery	-	5 years
Furniture & Equipment	-	5 years
Computer Equipment	-	3 years
Motor vehicles	-	5 years

Stocks

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

Operating lease agreements

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

Thomas Mills High School Company Limited by Guarantee

Accounting Policies *(continued)*

Period from 14 April 2011 to 31 August 2012

Pension costs

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Thomas Mills High School Company Limited by Guarantee

Accounting Policies *(continued)*

Period from 14 April 2011 to 31 August 2012

Conversion to academy trust

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

The assets and liabilities transferred on conversion from Thomas Mills High School to the Academy Trust have been valued at their estimated depreciated replacement cost, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their estimated depreciated replacement cost is in accordance with the accounting policies set out for Thomas Mills High School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Professional valuations were obtained to calculate the value of the pension liability to transfer in on conversion and also the value of the depreciated replacement cost for the land & buildings. Further details of the transactions are set out in note 22 and note 14 respectively.

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

1. General annual grant (gag)

2012
£

a. Results and Carry Forward for the Period

GAG allocation for current period	6,602,536
Recurrent expenditure from GAG	(6,347,500)
Fixed assets purchased from GAG	(149,081)
GAG carried forward to next year	105,955
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	(792,304)
GAG to surrender to DfE (12% rule breached if result is positive)	(686,349)
	no breach

b. Use of GAG brought forward from previous year for recurrent purposes

Note not applicable as first period of academy operation.

2. Voluntary income

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
Donations				
Donations	381	–	25,095	25,476
Transfer from Local Authority on conversion	46,134	113,443	8,227,113	8,386,690
	<u>46,515</u>	<u>113,443</u>	<u>8,252,208</u>	<u>8,412,166</u>

3. Incoming resources from activities for generating funds

	Unrestricted Funds £	Total Funds 2012 £
Hiring Charges/Income	30,174	30,174
Catering Income	49,672	49,672
	<u>79,846</u>	<u>79,846</u>

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

4. Investment income

	Unrestricted Funds £	Total Funds 2012 £
Bank interest receivable	575	575

5. Funding for academy's educational operations

	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
EFA revenue grants			
General Annual Grant (GAG) (note 1)	6,602,536	-	6,602,536
Other DfE/EFA grants	72,698	-	72,698
	<u>6,675,234</u>	<u>-</u>	<u>6,675,234</u>
Other Government grants			
EFA Devolved formula capital grant	-	23,069	23,069
Local authority grants	13,566	-	13,566
	<u>13,566</u>	<u>23,069</u>	<u>36,635</u>
	<u>6,688,800</u>	<u>23,069</u>	<u>6,711,869</u>

6. Other income from educational operations

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £
Contributions to clubs and educational activities	110,560	-	110,560
School trips income	-	250,753	250,753
	<u>110,560</u>	<u>250,753</u>	<u>361,313</u>

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

7. Resources expended

	Staff costs £	Premises £	Other costs £	Total Funds 2012 £
Charitable activities:				
Direct costs	4,773,125	–	711,057	5,484,182
Support Costs	477,042	750,753	331,578	1,559,373
	<u>5,250,167</u>	<u>750,753</u>	<u>1,042,635</u>	<u>7,043,555</u>
Governance costs including allocated support costs	–	–	50,641	50,641
	<u>5,250,167</u>	<u>750,753</u>	<u>1,093,276</u>	<u>7,094,196</u>

8. Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £
<i>Direct costs</i>				
Teaching & educational support staff	–	4,773,125	–	4,773,125
Educational supplies	–	223,658	–	223,658
Examination fees	–	155,667	–	155,667
Staff development	–	10,402	–	10,402
Educational visits	–	321,330	–	321,330
	–	<u>5,484,182</u>	–	<u>5,484,182</u>
<i>Allocated support costs</i>				
Support staff costs	–	477,042	–	477,042
Depreciation	–	–	234,702	234,702
Other Support costs	57,323	120,241	–	177,564
Maintenance of premises & equipment	–	207,199	–	207,199
Cleaning	46	136,204	–	136,250
Rent & rates	391	153,032	–	153,423
Insurance	–	102,483	–	102,483
Security & transport	3,574	8,372	–	11,946
Catering	48,702	–	–	48,702
Pension & bank interest	–	10,062	–	10,062
	<u>110,036</u>	<u>1,214,635</u>	<u>234,702</u>	<u>1,559,373</u>
	<u>110,036</u>	<u>6,698,817</u>	<u>234,702</u>	<u>7,043,555</u>

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

9. Governance costs

	Restricted Funds	Total Funds 2012
	£	£
Accountancy fees	861	861
Audit fees	8,250	8,250
Legal fees	41,530	41,530
	<u>50,641</u>	<u>50,641</u>

10. Net incoming/(outgoing) resources for the period

This is stated after charging:

	2012 £
Fees payable to auditor	
Audit	8,250
Other services	861
Depreciation	234,702

11. Staff costs and emoluments

	2012 £
Wages and salaries	4,322,183
Social security costs	328,514
Other pension costs	599,469
	<u>5,250,166</u>

Particulars of employees:

	2012
The average number of employees during the period,	
Teachers	66
Administration and support	33
Management	6
	<u>105</u>

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

11. Staff costs and emoluments *(continued)*

The number of employees whose remuneration for the period fell within the following bands, were:

	2012
£60,000 to £69,999	3
£100,000 to £109,999	1
	<hr/> 4 <hr/>

All four of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £37,629.

12. Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of the Headteacher's annual remuneration was £88,504. The combined value of the staff governor's annual remuneration was £85,505. No expenses were paid to governors for the period to 31 August 2012.

There were no other related party transactions involving the trustees during the period to 31 August 2012.

13. Governors' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,195.

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

14. Tangible fixed assets

	Land & Buildings £	Equipment £	Computer equipment £	Motor Vehicles £	Total £
Cost					
Additions	–	24,184	124,897	25,095	174,176
Transfer on conversion	8,324,272	–	–	–	8,324,272
At 31 August 2012	<u>8,324,272</u>	<u>24,184</u>	<u>124,897</u>	<u>25,095</u>	<u>8,498,448</u>
Depreciation					
Charge for the period	205,182	3,233	25,031	1,255	234,701
At 31 August 2012	<u>205,182</u>	<u>3,233</u>	<u>25,031</u>	<u>1,255</u>	<u>234,701</u>
Net book value					
At 31 August 2012	<u>8,119,090</u>	<u>20,951</u>	<u>99,866</u>	<u>23,840</u>	<u>8,263,747</u>

The Land and Buildings was valued on 30 November 2011 by S C H Wright FRICS MCI Arb, a RICS Registered Valuer using the Depreciated Replacement Cost method.

The freehold land and buildings is owned by Suffolk County Council. The Academy holds a 125 year leasehold on a peppercorn rent from 1 June 2011

15. Debtors

	31 Aug 12 £
Other debtors	42,063
Prepayments	162,790
	<u>204,853</u>

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

16. Creditors: Amounts falling due within one year

	31 Aug 12 £
Trade creditors	70,010
Other creditors	16,413
Accruals	307,591
	<u>394,014</u>

Deferred income

	2012 £
Deferred income at 1 June 2011	-
Resources deferred in the period	245,509
Amounts released from previous years	-
Deferred income at 31 August 2012	<u>245,509</u>

At the balance sheet date the Academy trust was holding funds received in advance of the 12/13 financial year.

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

	31 Aug 12 £
Other creditors	<u>65,685</u>

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

18. Pensions and similar obligations

The Academy'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. Both are defined-benefit schemes.

As described in note 22 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS was at 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

18. Pensions and similar obligations *(continued)* Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

Scheme Changes

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

18. Pensions and similar obligations *(continued)* Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £173,000, of which employer's contributions totalled £139,000 and employees' contributions totalled £34,000. The agreed contribution rates for future years are 22.8% for employer's and employees' contributions are dependent on the level of their full-time equivalent salary ranging from 5.5% to 10.0%. The Academy'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. Both are defined-benefit schemes.

As described in note 22 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS was at 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Principal actuarial assumptions

	At 31 Aug 2012
Discount rate	4.1
Expected return on scheme assets	4.5
Rate of increase in salaries	4.5
Rate of increase in pensions payment	2.2

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

18. Pensions and similar obligations *(continued)*

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

	At 31 August 2012
Retiring today	
Males	21.4
Females	23.3
Retiring in 20 years	
Males	23.7
Females	25.7

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

	Expected return at 31 Aug 2012	Fair value at 31 Aug 2012	Expected return at 1 June 2011	Fair value at 1 June 2011
	%	£	%	£
Equities	5.5	348,000	7.3	260,000
Bonds	2.8	174,000	3.9	105,000
Property	3.7	60,000	5.4	42,000
Cash	2.8	18,000	4.5	12,000
Total market value of assets		600,000		419,000
Present value of scheme liabilities - funded		(937,000)		(664,000)
Surplus/(deficit) in the scheme		(337,000)		(245,000)

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period.

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

18. Pensions and similar obligations *(continued)*

Amounts recognised in the Statement of Financial Activities

	2012 £
Current service cost (net of employee contributions)	116,000
Total operating charge	116,000

Analysis of pension finance income/(costs)

	2012 £
Expected return on pension scheme assets	39,000
Interest on pension liabilities	(49,000)
Pension finance income/(costs)	(10,000)

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial loss recognised in the Statement of Financial Activities since the adoption of FRS17 is £105,000.

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

	2012 £
On conversion	664,000
Current service cost	116,000
Interest on pension liabilities	49,000
Employee contributions	34,000
Actuarial (gain)/loss	74,000
At 31 August 2012	937,000

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

	2012 £
On conversion	419,000
Expected return on pension scheme assets	39,000
Actuarial gain/(loss)	(31,000)
Employer contributions	139,000
Employee contributions	34,000
At 31 August 2012	600,000

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

18. Pensions and similar obligations *(continued)*

Reconciliation of opening and closing deficit:

	2012 £
Pension scheme liability transferred	(245,000)
Current service cost (net of employee contributions)	(116,000)
Employer contributions	139,000
Other finance income	(10,000)
Actuarial gain/(loss)	(105,000)
Deficit at 31 August 2012	(337,000)

The five year history of experience adjustments is as follows:

	2012 £
Present value of defined benefit obligations	(937,000)
Fair value of share of scheme assets	600,000
Deficit in the scheme	(337,000)
Experience adjustments on share of scheme assets	
Amount	(31,000)
Experience adjustments on scheme liabilities	
Amount	(74,000)

Sensitivity analysis

Change in assumption	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in real discount rate	12%	116
1 year increase in member life expectancy	3%	28
0.5% increase in the Salary Increase Rate	5%	49
0.5% increase in the Pension Increase Rate	7%	65

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

19. Commitments under operating leases

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings £
Operating leases which expire:	
Within 1 year	1,009
Within 2 to 5 years	6,897
	<u>7,906</u>

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

20. Funds

	Incoming resources £	Resources expended £	Gains and losses £	Transfer £	Balance at 31 Aug 2012
Restricted general funds					
General annual grant (GAG)	6,602,536	(6,347,500)	–	(149,081)	105,955
Other Restricted	364,196	(337,095)	–	–	27,101
Other DfE/EFA grants	86,264	(77,863)	–	–	8,401
Pension Reserve	–	(232,000)	(105,000)	–	(337,000)
	<u>7,052,996</u>	<u>(6,994,458)</u>	<u>(105,000)</u>	<u>(149,081)</u>	<u>(195,543)</u>
Restricted fixed asset funds					
DfE/EFA capital grant	40,868	–	–	–	40,868
Capital expenditure from GAG	–	–	–	149,081	149,081
Other restricted fixed asset fund	8,234,408	(234,701)	–	–	7,999,707
	<u>8,275,276</u>	<u>(234,701)</u>	<u>–</u>	<u>149,081</u>	<u>8,189,656</u>
Total restricted funds	<u>15,328,272</u>	<u>(7,229,159)</u>	<u>(105,000)</u>	<u>–</u>	<u>7,994,113</u>
Unrestricted funds					
General unrestricted funds	237,495	(110,035)	–	–	127,460
Total unrestricted funds	<u>237,495</u>	<u>(110,035)</u>	<u>–</u>	<u>–</u>	<u>127,460</u>
Total funds	<u>15,565,767</u>	<u>(7,339,194)</u>	<u>(105,000)</u>	<u>–</u>	<u>8,121,573</u>

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

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

Restricted General Funds: These grants relate to the Academy's development and operational activities.

Restricted Fixed Asset Fund: These grants relate to capital funding to carry out works of a capital nature.

Pension Reserve: The pension reserve relates to the Academy's share of the deficit in the Pension Scheme.

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

21. Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total £
Tangible fixed assets	-	-	8,263,747	8,263,747
Current assets	127,460	519,058	8,007	654,525
Current liabilities	-	(377,601)	(16,413)	(394,014)
Long term liabilities	-	-	(65,685)	(65,685)
Pension scheme liability	-	(337,000)	-	(337,000)
	<u>127,460</u>	<u>(195,543)</u>	<u>8,189,656</u>	<u>8,121,573</u>

22. Conversion to an Academy Trust

On 1 June 2011 the Thomas Mill High School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Thomas Mills High School from the Suffolk County Council Local Authority for £nil consideration.

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

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets	-	-	8,324,272	8,324,272
Freehold/leasehold land & buildings	-	-	-	-
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	-	28,304	17,800	46,104
Budget surplus on other school funds	46,134	85,139	-	131,273
LGPS pension surplus/(deficit)	-	(245,000)	-	(245,000)
Borrowing obligations	-	-	(114,959)	(114,959)
Net assets/(liabilities)	<u>46,134</u>	<u>(131,557)</u>	<u>8,227,113</u>	<u>8,141,690</u>

The above net assets include £177,377 that was transferred as cash.

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

23. Related party transactions

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

The following transactions took place during the period with charities associated with the academy:

- The Friends of Thomas Mills High School - The charity donated £25,095 to the academy for the purchase of a new minibus.
- The Michael Sims Memorial Fund - The charity donated £50 to the academy for an annual prize and also donated £466 to cover the cost of trips.
- Prickett Memorial Awards - The charity paid £150 for the annual scholarship of a student leaving the academy to study modern languages at university.
- Thomas Mills Prizes - The charity donated £270 for prizes at the annual awards evening.

24. Ultimate controlling party

There is no ultimate controlling party.

25. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

26. Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	2012 £
Net incoming resources before transfers	8,226,573
Depreciation	234,701
Fixed assets transferred from local authority on conversion	(8,324,272)
Loan transferred on conversion	114,959
Capital grants from DfE and other capital income	(65,963)
Pension transferred from local authority on conversion	245,000
Interest receivable	(575)
FRS 17 Pension cost less contributions payable	(23,000)
FRS 17 pension finance costs	10,000
Decrease/(increase)in stocks	(1,570)
Decrease/(increase)in debtors	(204,853)
(Decrease)/increase in creditors	377,601
Net cash inflow from operating activities	588,601

Thomas Mills High School Company Limited by Guarantee

Notes to the Financial Statements

Period from 14 April 2011 to 31 August 2012

27. Returns on investments and servicing of finance

	2012
	£
Interest received	575
	<u>575</u>

28. Capital expenditure and financial investment

	2012
	£
Purchase of tangible fixed assets	(174,176)
Capital grants from DfE/EFA	40,868
Other capital donations	25,095
Net cash outflow from capital expenditure and financial investment	(108,213)
	<u>(108,213)</u>

29. Financing

	2012
	£
Repayment of amounts borrowed	(32,861)
Net cash outflow from financing	(32,861)
	<u>(32,861)</u>

30. 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.