

**Thomas Mills High School**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2019**

**Company Registration Number:  
07605059 (England and Wales)**

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**Reference and Administrative Details****Members**

Mrs Genevieve Christie  
 Mrs Barbara Howard  
 Mr Steve Lovett  
 Mr Doug Stewart  
 Mrs Sarah Thorne  
 Mr Alister Gourlay  
 Mr John Hibberd MBE

**Trustees**

Mr Matthew Anthony (appointed 17<sup>th</sup> October 2019)  
 Ms Katharine Archer (appointed 18<sup>th</sup> October 2018)  
 Mrs Janet Bell  
 Mrs Genevieve Christie (Chairman)  
 Mr Martin Churchill  
 Ms Fiona Edwards (appointed 17<sup>th</sup> October 2019)  
 Ms Lisa Hamon (appointed 17<sup>th</sup> October 2019)  
 Mr Duncan Horrocks  
 Mr Philip Hurst  
 Mrs Kelly Jeffery (appointed 17<sup>th</sup> October 2019)  
 Mr Steve Lovett  
 Ms Penny Miller-Williams (Vice Chairman)  
 Mr Mark Mugliston (Vice Chairman)  
 Mr Stephen Peters  
 Mrs Sue Preston  
 Mrs Ying Scrivener  
 Mr Doug Stewart  
 Mrs Sarah Thorne

Mrs Melanie Chew (appointed 18<sup>th</sup> October 2018,  
 resigned 31<sup>st</sup> August 2019)  
 Mr Adam Chittock (resigned 24<sup>th</sup> July 2019)  
 Mr Richard Hanley (resigned 17<sup>th</sup> October 2019)  
 Mrs Barbara Howard (resigned 31<sup>st</sup> May 2019)

**Senior Management Team**

Headteacher	Mr P Hurst
Deputy Headteacher	Mr M Wheeler
Assistant Headteacher	Mr M Ward
Assistant Headteacher	Mr A Cann
Assistant Headteacher	Miss L Armes
Business Manager	Mr T Jarrett

**Company Name**

Thomas Mills High School

**Principle and Registered Office**

Saxtead Road, Framlingham, Woodbridge, Suffolk, IP13 9HE

**Company Registration Number**

07605059 (England and Wales)

**Independent Auditor**Lovewell Blake, Bankside 300, Peachman Way, Broadland  
Business Park, Norwich, Norfolk, NR7 0LB**Bankers**Barclays Bank PLC  
4 Church Street, Woodbridge, Suffolk, IP12 1DJ**Solicitors**Jackaman, Smith & Mulley  
Park House, Mere Street, Diss, Norfolk, IP22 4JY

## Trustees' Report

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

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in and around Framlingham, Suffolk. It has a pupil capacity of 1150 and had a roll of 1120 in the school census on October 2018.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Thomas Mills High School 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 Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

### Members Liability

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

### Trustees' Indemnities

The school has purchased insurance to cover Trustees' and Officers' from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Details of the costs can be found in note 10 to the accounts.

### Method of Recruitment and Appointment or Election of Trustees

The arrangements for recruiting and appointment of Trustees are set out in the Academy's Funding Agreement and clauses 46-64 of the Articles of Association. These are as follows:

- Members of the Trust may appoint up to four Governors (Governors are the Trustees for Charity Law and the Company Directors for Company law).
- Members may appoint Staff Governors, the total number of which must not exceed one third of the total number of Governors.
- The Local Authority may appoint the LA Governor.
- The Headteacher shall be treated for all purposes as being an ex officio Governor.
- Parent Governors shall be elected by parents of registered pupils at the School. Parent Governors must be a parent of a pupil at the School at the time when he is elected. If the number of Parent Governors standing for election is less than the number of vacancies, the number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body. Up to 6 Parent Governors can be appointed.
- Governors may appoint up to three Co-opted Governors.
- Additional Governors may be appointed by the Secretary of State in certain circumstances.

### Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration for the senior management team is set within bands and progression within this is subject to satisfactory performance management. The Headteachers performance management is undertaken by a committee from the Governing Body, with guidance from the School Improvement Partner.

### Policies and Procedures Adopted for the Induction and Training of Trustees

All Governors receive a welcome pack and a personal briefing from the Chair of Governors and the Headteacher. Documents relating to contemporary developments are circulated, when available, to Governors together with the handbooks for Training and Support offered by the Local Authority, whole Governing Body training sessions tailored to specific requirements are also held when required. Governors are offered and encouraged to take part in training which is arranged to suit individual as well as group requirements.

All Governors are aligned to specific school departments and encouraged to visit regularly to further both the individual Governors knowledge and provide a conduit for Heads of Department.

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

## Trustees' Report (continued)

### Organisational Structure

The organisational structure consists of three levels; the Governors, Governing Body Committees and the Management Team. Committees exist for; Finance and Premises, Personnel Performance and Curriculum Review, 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.

### Trade Union Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

#### Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employer number
1	100.7

#### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	
51%-99%	
100%	

#### Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total bill	£4,411,232
Provide the percentage of the total pay bill spent on facility time, calculated as:  (total cost of facility time ÷ total pay bill) x 100	0

#### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	<b>Less than 1%</b>
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## Trustees' Report (continued)

### Related Parties and other Connected Charities and Organisations

The School continues to have close links with our local feeder primary schools at Dennington, Easton, Wickham Market, Sir Robert Hitcham in Framlingham, Charsfield and Earl Soham. It also works closely with a number of primary schools outside the designated catchment area as pupils from over 30 separate primary schools attend the school from Year 7.

The School works closely with SNITT (Suffolk and Norfolk Initial Teacher Training) in the training of teachers and the Headteacher chairs the steering group.

Several charities that are independent of the School 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.
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 developing 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 Governors of (4), (5) and (6). Currently, Members and teachers also sit as Governors on all of them except (2). In addition, a number of other charities have in recent years (but not in the accounting period this report refers to) given generous support to specific projects for the school, especially the Mills Charity (registered number 207259).

## OBJECTIVES AND ACTIVITIES

### Objects and Aims

The Academy Trust's principal object is specifically restricted 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.

Its 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.

### Objectives, Strategies and Activities

The Vision, Values, And Philosophy of the School are:

#### 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

## **Trustees' Report (continued)**

We have pursued the Vision Statement by continually striving to improve further the standards of teaching, learning and achievement. This is done by a variety of means, including the monitoring of pupil performance and making appropriate interventions to support underachieving individuals; reviewing the curriculum in light of national changes to provide the widest possible 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 the Senior Management Team and by the Governors Personnel, Performance and Curriculum Committee throughout the period being reported.

We have continued to exploit the opportunities provided by Academy status to strengthen the work of the school. In particular, the school has maintained a broad and balanced curriculum delivered by qualified staff.

A successful fundraising project has resulted in a significant improvement to the multi-media facilities within the school. A new music technology room was developed in phase one. A new photography classroom with state-of-the-art computers as well as a new dark room has also opened. Encouraged by these developments, the Governing Body has established the Income Generation Group (IGG). Their first project aims to refurbish some science labs.

Governors' policies have been regularly reviewed to ensure they are updated to reflect national developments and new statutory duties.

The School continues to provide a Sports Centre for Framlingham at the school. This is not funded by academy funding yet provides a valuable community resource with many users making use of the school's facilities in the evenings and at weekends.

### **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 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.

### **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 Governors 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".

The school has recently set up an Eco-committee, to look at ways the school can further reduce their carbon footprint.

## **STRATEGIC REPORT**

Our vision statement and Charter of Values drives all we do and places a focus firmly on teaching, learning and achievement. Success is evaluated against it and decisions made by staff and Governors are tested against the question 'what is in the true interests of our pupils?'

### **Achievements and performance**

A strong achievement culture has been successfully fostered in the school and this continues to be assessed in a number of ways through exam results, progress data and quality assurance results. Pupils are proud of their school and its achievements and work hard to be part of the continued success story.

## Trustees' Report (continued)

The system of targets for pupils of all ages is based upon past pupil performance and is designed to raise aspirations, successfully helping to contribute to the schools' achievement culture. This achievement culture is supported by an extensive programme of extra-curricular activities and by a curriculum designed to stretch pupils of all abilities. Both are supported by high staff expectations.

The Governors have contributed in numerous areas in the last year including:

- Reviewed all the Governors' policies and updated them where required to ensure they remain relevant and effective for the running of the School.
- Through the scrutiny of the Finance Committee supported the School in effectively managing a budget with declining real terms funding.
- Through the work of the Finance and Premises Committee supported the project management of a range of improvement projects and reviewing of contracts to achieve savings.
- Kept close scrutiny of the progress of all actions within the School Evaluation, Development and Improvement Plan (SEDIP).
- Actively explored the potential for increased collaborative working with other local schools.

## Key Performance Indicators

### For pupils to be fully involved in the extra-curricular life of the school

There are a number of opportunities for pupils to participate in extra-curricular activities in a range of areas including sport, drama, music, clubs as well as a number of trips. The one-hour break for lunchtime provides a good opportunity for all pupils to be involved in the wider life of the school. Given that pupils travel to the school from an extensive area within rural Suffolk, we are very pleased with the opportunities available and the participation. Internal surveys have shown a very high proportion of pupils are involved in at least one extra-curricular activity. All staff are involved in extra-curricular activities in one form or another. This year, the Duke of Edinburgh Award Scheme has included the Gold level, and the Bronze and Silver Levels continue to be very popular. The Sixth Form take the lead in a number of events including Charity Day and Harvest Festival, for example. There continues to be a very high number of sports fixtures, over 250 during the 2018/19 school year; and several teams were county champions. The School Production of 'Oh What a Lovely War' included a number of children from all year groups. Finally, Science Week and Book Week were particularly well supported last year with a range of lunchtime activities. Governors acknowledge the outstanding commitment of staff.

### To maintain 'outstanding' judgements from OFSTED

In the Summer Term 2016 we were pleased to host a visit from HMI Shane Langthorne. Although this was not an inspection but a contribution to an OFSTED survey visit, we were pleased to hear his comments as well as his observations for further development. In summary, he said that what we were doing is quite effective and that the "students were very impressive." A visit from Rosemary Prince (Department for Education) was very complimentary about the school, considered to be "outstanding." However, the last visit from OFSTED in 2012 graded RE provision as outstanding. The last full inspection was in 2006 and the overall grade of outstanding still holds. Although we understand that OFSTED prioritises its visits and schools causing concern have more frequent inspections, it does mean that a number of staff have not experienced an inspection for some time. There are preparations in place should the school receive a visit. In recent years we have also welcomed external validation including from our School Improvement Partner. An independent assessment from the Good Schools Guide stated, "A remarkable school with high academic expectation and achievement, a dazzling array of extra-curricular activities and dedicated staff. Has enjoyed, and is enjoying outstanding leadership." During the year an external review of the Pupil Premium was commissioned. The new SEDIP includes specific actions and is also in line with the new OFSTED framework.

### To achieve results in line with, or above expectations using prior attainment and external data

Pupils achieved excellent results at all levels in Summer 2019. Performance data to be published by the Department for Education is likely to confirm that Thomas Mills High School is a high performing non-selective state school – both in terms of attainment and the progress that young people make. At GCSE 78% of pupils achieved a Grade 4 or above in English and Mathematics. Progress 8 has been calculated at +0.32 which is very high. Thomas Mills High School continues to offer a broad and balanced academic curriculum and do not pursue a limited curriculum for the sake of one headline figure. Over 90% of pupils were entered for the Ebacc subjects. The new Progress 8 measure is positive for the school (indicating that pupils make excellent progress based on their prior attainment). Unfortunately, some of the Department for Education data does not capture the performance of our highest achieving pupils since they had no data at Key Stage Two.

The percentage of pupils achieving the Ebaac measure is significantly higher than the county average. 50% of pupils achieved a Grade 5 or above in English and Mathematics. Different groups such as the more able or disadvantaged pupils have also made excellent progress.

At A Level there were also some exceptional results. About 55% of grades were between A\*-B and 78% of grades were A\*-C. Approximately, 80% of students proceeded to higher education, with others entering employment, apprenticeships, training or further education. The school continues to be proud of its comprehensive approach to Sixth Form education. Pupils of all levels of ability succeed in the school. More-able pupils do exceptionally well and achieve the highest outcomes. Students continue to secure places at Oxbridge and Russell Group Universities.

## Trustees' Report (continued)

### To maintain excellent attendance data demonstrating that pupils want to attend school

The overall figure of 94.3% is good although it is lower than the previous year. There are a few specific cases which require external intervention. Data shows that pupils enjoy coming to school and that the curriculum, teaching and wider opportunities have a positive impact on behaviour.

### Teaching is at least good and often outstanding

Quality Assurance confirms that this is the case. Quality Assurance has evolved and uses a range of information. Departmental Reviews are now established and this provides a range of information to help subjects develop further. Independent surveys show that a large majority of pupils and parents consider teaching is a strength of the school. Excellent practice is shared and the Professional Development Days and Teaching and Learning Groups have provided staff with an opportunity to reflect on their teaching.

### Pupils progress to education, employment or training

Data shows that when pupils leave Thomas Mills High School they continue in education, employment or training. The vast majority of Year Elevens choose to continue studying into the Sixth Form and they are joined by pupils from a range of other schools. Other destinations include employment, apprenticeships and education at Easton and Otley College, for example. All Year 11 students last year had offers of continued learning. As already reported, Sixth Form destination measures are excellent with a high number of students entering Higher Education. We were pleased to learn that over a period of time we are the highest comprehensive school within the region for students moving onto Oxbridge.

### Working with other schools as system leaders

The Department for Education expects outstanding schools to contribute more to system leadership. There have been a number of developments this year to support this although decisions are always guided by 'what is in the interests of the pupils.' The school joined the Mid-Suffolk Teaching School Alliance with four staff organising the subject network meetings. Two staff are pursuing Specialist Leaders in Education. Several staff have recently completed either the NPQSL or NPQML programmes. The Headteacher also supported two other Headteachers with aspects of school management including finance and curriculum design. The Governing Body have discussed Multi-Academy Trusts and sponsorship. The Headteacher also provided interim leadership support to two secondary schools during the Summer Term 2018.

### Going Concern

During the years of austerity reserves and fund positions have been closely monitored. It is via the monitoring of reserves and funds that the school has been able to make key management decisions to secure its sustainability.

Significant savings have been made from many areas with a number of major contracts renegotiated. Further activity to ensure efficiencies, as well as generate income, will continue to be explored. During the period the newly formed group specifically looking at income generation has been able to facilitate donations and pledges for capital projects of over £50,000.

Cash reserves are strong and are set to remain positive throughout 2019/20 and therefore the main risk to the school's finances in the medium term is government policy in the following areas:

- Unfunded national insurance increases.
- Further unfunded TPS pension contribution increases and/or the discontinuation of the teachers' pension grant confirmed until at least April 2021.
- Worsening economic conditions leading to increases in LGPS pension contributions.
- Unfunded increases to pay from 2020/21 onwards.
- If the ESFA were to discontinue additional staff cost grants, due to come into force in 2019/20, to support the 2018 and 2019 teacher pay settlements.
- Reduction in funding in other areas.
- Caps or delays on the implementation of the National Funding Formula.
- National and Local government policy towards school transport provision.

It is the intention of the trustees, over time, to generate surpluses to enable the School to build up a suitable level of reserves. However, due to the comparatively low levels of reserves, the governors have reviewed a medium term plan.

This plan was conservative in nature to allow a true picture of the schools financial risks. It did not consider the full impact of the National Funding Formula due to continued political uncertainty regarding levels of funding. However, Thomas Mills High School is at present set to benefit from this formula and so trustees continue to be prudent in their forward planning by excluding it at this stage. The plan also doesn't consider full funding for pensions and increased staff costs as the DfE has not confirmed these for the three years of the plan.

## Trustees' Report (continued)

Since approving the schools medium term plan the following positive information has been made available to trustees:

Funding increases: Pupil Numbers

- Our pupil number projections are accurate and conservative.
  - 2019 census numbers were two higher in main school compared with our 5 year budgeting assumptions.
  - 2019 census numbers were five higher in the Sixth form compared with our 5 year budgeting assumptions.
- Pupil numbers have grown steadily and from different sources.
  - Over 50% of the current year 7 intake are from out of catchment children.
  - The intake comes from a diverse group of over 35 different primary providers.
  - The school is not dependent on poor performance of schools in neighbouring catchment areas as we are bordered by either good or outstanding schools.
  - Post 16 numbers are improving following increases in the main school with very high retention rates from GCSE to A Level.

Funding Increases: Increased funding levels

- The notional NFF funding allocations for 2020/21 show a 4.65% increase in funding against baseline figures equivalent to £191,000 Based on October 2019 census information where pupil numbers are 37 higher than the NFF baseline this should also produce another six-figure increase in funding.
- Sixth form funding is due to increase by 4.7% to £4188 per pupil. Based on current numbers this alone will bring in over £48,000 in 2020/21.

Once the full impact of NFF has been confirmed, both nationally and locally, a new medium term plan will be produced for trustees to consider.

### FINANCIAL REVIEW

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the ESFA during the year ended 31st August 2019 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 ESFA through the bid process for the Condition Improvement Fund. In accordance with the Academies Accounts Direction 2018/19, 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 year ended 31st August 2019, total expenditure of £6,084,127 was not covered by recurrent grant funding from the ESFA together with other incoming resources. When excluding the restricted fixed asset fund and pension fund, the excess of expenditure over income was £17,041.

At 31st August 2019 the net book value of fixed assets was £7,218,478 and movements in tangible fixed assets are shown within note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

In accordance with FRS 102, the Academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31st August 2019 and supporting notes to the accounts.

### Reserves Policy

The Academy held fund balances at 31st August 2019 of £6,527,949 comprising of restricted funds, of which £7,362,427 relate to the restricted fixed asset fund, £45,796 unrestricted funds, £nil restricted GAG funds, £25,726 restricted non-GAG funds and a pension reserve deficit of £906,000.

The Governors do not have a formal reserves policy as a number of financial years' experience as a converter Academy was needed as was a number of years' experience of the reliability of funding streams from the ESFA. The Governors are determined that the setting of realistic budgets and managing within these is of high importance. At present the revenue funds are in surplus of £71,522.

The Governors considered the following in making this decision

- 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:

## Trustees' Report (continued)

- 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.

At 31 August 2019 the total funds comprised:

Unrestricted Funds	£45,796
Restricted Funds:	
Fixed asset funds	£7,362,427
GAG	£-
Pension reserve	(£906,000)
Other	£25,726
	<u>£6,527,949</u>

### Investment Policy

The School manages 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 maintain surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these funds.

### 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.

A key area of risk to the Academy Trust is financial sustainability and compliance with Company and Charity legislation, whilst continuing to achieve the objectives of the School. The School has bought in financial support and advice from Schools' Choice to ensure this risk is minimised.

The school has now seen an increase in pupil numbers and this will contribute to an increase in income. Historically, reduced pupil numbers had a direct impact on income through the funding formula and this, coupled with the lower income for 6th Form brought about by the 3-year equalisation of national 6th Form funding, had a substantial impact on funding for Thomas Mills High School resulting in a reduction of income from £6.44m in 2012/2013 to £5.18m in 2016/2017. Funding of £5.32m was received in 2017/18 and £5.61m in 2018/19. Future funding is also set to increase, both as a result of additional growth in pupil numbers and a 4.65% proposed increase per pupil.

Although pupil numbers are now buoyant, a new risk has emerged around the County Council's transport policy. This may mean that pupils who wish to secure a place at the school are unable to travel to Thomas Mills and will have to attend other secondaries. This risk is being monitored closely with senior staff in regular communication with the County Council.

### Fundraising

The trust does not employ any professional fundraisers or commercial participators and predominantly carries out fundraising activities via The Friends of Thomas Mills High School (registered charity 298599) using traditional methods including events and sponsored challenges.

Going forward the trustees have established a working group to look at additional forms of fundraising that could support the charitable objects of Thomas Mills High School. This group will report to the finance and resources committee and the board throughout 2018/19 as well as co-ordinate any additional fundraising activities.

Current efforts are being focused to raise funds for refurbishment of the school's science labs and to date over £50,000 has been either raised or pledged during the period towards this aim.

In increasing its fundraising activities, the trust will refer to Charity Commission guidance CC20.

## 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.

**Trustees' Report (continued)**

- 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.

The school continues to explore the government's agenda on Multi-Academy Trusts and increased partnership working.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy does not hold any funds as custodian trustee on behalf of others

**AUDITOR**

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 5<sup>th</sup> December 2019 and signed on the board's behalf by:



**Mrs G Christie**  
Chair of Trustees

## Governance Statement

### SCOPE OF RESPONSIBILITY

As Trustees 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 board of Trustees has delegated the day-to-day responsibility to the **Headteacher**, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Thomas Mills High School and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

### GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of Trustees** has formally met **6** times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Genevieve Christie (Chairman)	6	6
Ms Kate Archer (Appointed 18 <sup>th</sup> October 2018)	6	6
Mrs Janet Bell	5	6
Mrs Melanie Chew (Appointed 18 <sup>th</sup> October 2018, Resigned 31 <sup>st</sup> August 2019)	4	6
Mr Adam Chittock (resigned 24 <sup>th</sup> July 2019)	4	6
Mr Martin Churchill	5	6
Mr Richard Hanley	6	6
Mr Duncan Horrocks	5	6
Mrs Barbara Howard (term of office ended 31 <sup>st</sup> May 2019)	5	5
Mr Philip Hurst	6	6
Mr Steve Lovett	5	6
Ms Penny Miller-Williams (Vice Chairman)	6	6
Mr Mark Mugliston (Vice Chairman)	6	6
Mr Stephen Peters	4	6
Mrs Sue Preston	5	6
Mrs Ying Scrivener	6	6
Mr Doug Stewart	6	6
Mrs Sarah Thorne	6	6

During the year, Mrs Genevieve Christie was re-appointed as chairman of the board.

The board has consolidated its committee structure and works principally through Finance and Premises as well as Personnel, Performance and Curriculum. This has streamlined procedures and led to informed decisions.

The board receives a great deal of data including financial reports and benchmarking as well as examination outcomes. These are scrutinised. For example, the impact of Pupil Premium has been considered. Link governors often receive more detail and present this to the board.

Governance reviews:

The governors have undertaken a self-review and governors regularly attend training. Changes to the committee structure have already been mentioned. The governors are aware of their position as employers and have undertaken training. The academy trust conducts a self-evaluation annually with the school and this is incorporated into the School Evaluation, Development and Improvement Plan. Audits, including by the Responsible Officer, have also been completed and this has informed practice and training as well as the recruitment of new governors with specific skills. The governors will explore an external review in the next academic year.

### Finance and Premises Committee

The Finance and Premises 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 and also with regard to ensuring compliance with financial regulations, the production of annual accounts, and the revision of the Risk Register.

## Governance Statement (continued)

Attendance at meetings in the year was as follows:

	<b>Meetings attended</b>	<b>Out of a possible</b>
*Mr Adam Chittock	2	6
Mrs Genevieve Christie	5	6
*Mr Richard Hanley	2	6
Mrs Barbara Howard	4	5
Mr Philip Hurst	6	6
Mr Steve Lovett	6	6
Mr Mark Mugliston (Chairman)	6	6
*Mr Stephen Peters	2	6
Mrs Sarah Thorne	6	6

\*Only 1 staff Governor to attend each meeting

### Audit Committee

The Audit Committee is also a sub-committee of the main Governing Body. Its purpose is to meet with the Auditor, receive the draft audited accounts and to recommend the accounts for approval to the Board of Governors. The Audit Committee met with the Auditors at the Finance and Premises meeting in November 2018

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Duncan Horrocks	0	1
Mr Steve Lovett	1	1
Mr Doug Stewart	0	1

During the period the audit committee was wound up so that its functions could be incorporated into the workings of the Finance and Premises Committee.

### REVIEW OF VALUE FOR MONEY

As accounting officer, the **Headteacher** has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcome achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year in the following areas:

Employing a range of strategies to ensure educational standards are high and that pupils make excellent progress within school, as well as towards the next stage in their education.

- The three-year Key Stage Four, for example, supports pupils in personalising their curriculum through a range of options. This gives pupil's opportunities to study a number of subjects which are increasingly not available to pupils in other schools. The range of teachers and the relatively small class sizes represent good value for money when the excellent educational outcomes of GCSE and A Level are considered.

Having responsibility for reviewing the effectiveness of financial governance.

- This is informed by the appointment of external and internal auditors as well as management accounts being prepared and delivered to Senior Managers for discussion. Discussions have included comparisons with benchmarking data and consideration of areas where further efficiencies are possible. For example, we have used the opportunity to try to reduce expenditure as some contracts have been renewed. However, continued savings do not necessarily lead to value for money if effectiveness is compromised. We continue to seek to reduce costs whilst trying to minimize any educational impact.

We also continue to maximise opportunities for income generation.

## Governance Statement (continued)

### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Thomas Mills High School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

### CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

### THE RISK AND CONTROL FRAMEWORK

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint **Schools' Choice** to provide internal audit services.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations

Twice a year the internal audit reports are presented to the board of Trustees, through the Finance and Premises Committee, on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

During the year Schools' Choice delivered the agreed schedule of two visits. There were no material control issues identified.

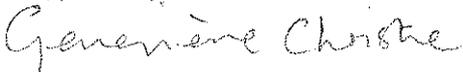
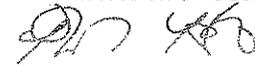
### REVIEW OF EFFECTIVENESS

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

- the work of the **internal audit provider**;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 5<sup>th</sup> December 2019 and signed on its behalf by:

Mrs G Christie  
Chair of Trustees

Mr P Hurst  
Accounting Officer

### **Statement of Regularity, Propriety and Compliance**

As accounting officer of Thomas Mills High School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



**Mr P Hurst**  
Accounting Officer

**5<sup>th</sup> December 2019**

## Statement of Trustees' Responsibilities

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

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

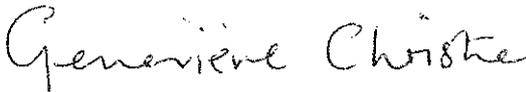
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academy Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by the order of the members of the board of Trustees on 5<sup>th</sup> December 2019 and signed on its behalf by:



**Mrs G Christie**  
Chair of Trustees

## **Independent Auditor's Report on the Financial Statements to the Board of Trustees of Thomas Mills High School Year Ended 31 August 2019**

### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's Trust affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Other information includes the Trustees' Report (incorporating the Strategic Report and Directors' Report), the governance statement and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report (incorporating the strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Independent Auditor's Report on the Financial Statements to the Board of Trustees of Thomas Mills High School  
Year Ended 31 August 2019 (continued)****Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Directors' report.

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

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

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 17, the Trustees (who are also the Directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



MARK PROCTOR FCA DChA (Senior Statutory Auditor)  
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

20/12/19

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

In accordance with the terms of our engagement letter dated 7 August 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Thomas Mills High School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Thomas Mills High School and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Thomas Mills High School and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Thomas Mills High School accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Thomas Mills High School funding agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

**Delegated authorities:** Carrying out the suggested procedures detailed in the Academies Accounts Direction 2018/19 Annex B section 4.4 – 4.10 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding write-offs, property transactions, leases, novel and contentious payments, special payments to staff, borrowings, and if the terms of a FNtI have been complied with;

**Transactions with connected parties:** Carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B section 4.12 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding declarations of interest and contracts with connected parties, including governors, and employees providing external consultancy;

**Governance:** Carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.14 in considering whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its governance arrangements;

**Internal controls:** Identifying the policies, reviewing their effectiveness and testing the operation of controls, through carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.16 in order to consider whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its internal controls;

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

**Procurement:** Identifying the policies, reviewing their effectiveness and testing their operation, through carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.18 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its procurement procedures; and

**Income:** Considering the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

**Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Lovewell Blake LLP*  
MARK PROCTOR FCA DChA (Reporting Accountant)  
LOVEWELL BLAKE LLP

Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

*20/12/19*

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

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	41,258	17,903	90,259	149,420	147,317
Charitable activities:						
Funding for the academy trust's educational operations	3	350,147	5,175,321	-	5,525,468	5,300,135
Other trading activities	4	120,189	-	-	120,189	127,720
Investments	5	426	-	-	426	440
<b>Total</b>		<b>512,020</b>	<b>5,193,224</b>	<b>90,259</b>	<b>5,795,503</b>	<b>5,575,612</b>
<b>Expenditure on:</b>						
Raising Funds	6	69,019	3,796	-	72,815	77,973
Charitable activities:						
Academy trust educational operations	7	366,785	5,385,089	259,438	6,011,312	5,682,891
<b>Total</b>		<b>435,804</b>	<b>5,388,885</b>	<b>259,438</b>	<b>6,084,127</b>	<b>5,760,864</b>
<b>Net income / (expenditure)</b>		76,216	(195,661)	(169,179)	<b>(288,624)</b>	<i>(185,252)</i>
<b>Transfers between funds</b>	15	(106,101)	125,505	(19,404)	-	-
		(29,885)	(70,156)	(188,583)	(288,624)	<i>(185,252)</i>
<b>Other recognised (losses) / gains:</b>						
Actuarial (losses) / gains on defined benefit pension schemes	15 ,23	-	(417,000)	-	<b>(417,000)</b>	230,000
<b>Net movement in funds</b>		(29,885)	(487,156)	(188,583)	(705,624)	44,748
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2018	15	75,681	(393,118)	7,551,010	<b>7,233,573</b>	7,188,825
<b>Funds carried forward at 31 August 2019</b>		<b>45,796</b>	<b>(880,274)</b>	<b>7,362,427</b>	<b>6,527,949</b>	7,233,573

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

**Statement of Financial Activities for the period ended 31 August 2018  
(including Income and Expenditure Account) showing comparatives by fund**

	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>				
Donations and capital grants	4,777	882	141,658	<b>147,317</b>
Charitable activities:				
Funding for the academy trust's educational operations	331,684	4,968,451	-	<b>5,300,135</b>
Other trading activities	127,720	-	-	<b>127,720</b>
Investments	440	-	-	<b>440</b>
<b>Total income and endowments</b>	<b>464,621</b>	<b>4,969,333</b>	<b>141,658</b>	<b>5,575,612</b>
<b>Expenditure on:</b>				
Raising Funds	76,900	1,073	-	<b>77,973</b>
Charitable activities:				
Academy trust educational operations	273,984	5,098,480	310,427	<b>5,682,891</b>
<b>Total expenditure</b>	<b>350,884</b>	<b>5,099,553</b>	<b>310,427</b>	<b>5,760,864</b>
<b>Net income / (expenditure)</b>	<b>113,737</b>	<b>(130,220)</b>	<b>(168,769)</b>	<b>(185,252)</b>
<b>Transfers between funds</b>	<b>(56,935)</b>	<b>40,102</b>	<b>16,833</b>	<b>-</b>
	56,802	(90,118)	(151,936)	<b>(185,252)</b>
<b>Other recognised gains:</b>				
Actuarial gains on defined benefit pension schemes	-	230,000	-	<b>230,000</b>
<b>Net movement in funds</b>	<b>56,802</b>	<b>139,882</b>	<b>(151,936)</b>	<b>44,748</b>
<b>Reconciliation of funds</b>				
Total funds brought forward at 1 September 2017	18,879	(533,000)	7,702,946	<b>7,188,825</b>
<b>Funds carried forward at 31 August 2018</b>	<b>75,681</b>	<b>(393,118)</b>	<b>7,551,010</b>	<b>7,233,573</b>

## Balance Sheet as at 31 August 2019

	Notes	2019 £	2018 £
<b>Fixed Assets</b>			
Tangible assets	11	<u>7,218,478</u>	<u>7,422,579</u>
		<u>7,218,478</u>	<u>7,422,579</u>
<b>Current assets</b>			
Stock	12	920	7,483
Debtors	13	210,722	292,749
Cash at bank and in hand		<u>393,376</u>	<u>397,389</u>
		<u>605,018</u>	<u>697,621</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	14	<u>(389,547)</u>	<u>(480,627)</u>
<b>Net current assets</b>		<u>215,471</u>	<u>216,994</u>
<b>Total assets less current liabilities</b>		<u>7,433,949</u>	<u>7,639,573</u>
<b>Net assets excluding pension liability</b>		<u>7,433,949</u>	<u>7,639,573</u>
Defined benefit pension scheme liability	23	(906,000)	(406,000)
<b>Total net assets</b>		<u>6,527,949</u>	<u>7,233,573</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
- Fixed asset fund	15	7,362,427	7,551,010
- Restricted income fund	15	25,726	12,882
- Pension reserve	15	(906,000)	(406,000)
<b>Total restricted funds</b>		<u>6,482,153</u>	<u>7,157,892</u>
<b>Unrestricted income funds</b>	15	45,796	75,681
<b>Total unrestricted funds</b>		<u>45,796</u>	<u>75,681</u>
<b>Total funds</b>		<u>6,527,949</u>	<u>7,233,573</u>

The financial statements on pages 22 to 44 were approved by the trustees, and authorised for issue on 5<sup>th</sup> December 2019 and are signed on their behalf by:



Mrs G Christie  
Chair of Trustees

**Statement of Cash Flows for the period ended 31 August 2019**

	Notes	<b>2019</b> £	<b>2018</b> £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	<b>(39,361)</b>	<i>(208,164)</i>
<b>Cash flows from investing activities</b>			
	20	<b>35,348</b>	<i>80,123</i>
<b>Cash flows from / (used in) financing activities</b>			
	19	-	<i>(16,376)</i>
<b>Change in cash and cash equivalents in the reporting period</b>		<b><u>(4,013)</u></b>	<b><u>(144,417)</u></b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash and cash equivalents at 1 September 2018	21	<b>397,389</b>	<i>541,806</i>
<b>Cash and cash equivalents at 31 August 2019</b>		<b><u>393,376</u></b>	<b><u>397,389</u></b>

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

### 1. General information and Statement of Accounting Policies

Thomas Mills High School is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative details on page 3. The nature of the academy trust's operations and principal activities are set out in the Trustees' Report on pages 4 to 12.

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

#### Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Thomas Mills High School meets the definition of a public benefit entity under FRS 102.

#### Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

During the years of austerity reserves and fund positions have been closely monitored. It is via the monitoring of reserves and funds that the school has been able to make key management decisions to secure its sustainability.

Significant savings have been made from many areas with a number of major contracts renegotiated. Further activity to ensure efficiencies, as well as generate income, will continue to be explored. During the period the newly formed group specifically looking at income generation has been able to facilitate donations and pledges for capital projects of over £50,000.

Cash reserves are strong and are set to remain positive throughout 2019/20 and therefore the main risk to the school's finances in the medium term is government policy in the following areas:

- Unfunded national insurance increases.
- Further unfunded TPS pension contribution increases and/or the discontinuation of the teachers' pension grant confirmed until at least April 2021.
- Worsening economic conditions leading to increases in LGPS pension contributions.
- Unfunded increases to pay from 2020/21 onwards.
- If the ESFA were to discontinue additional staff cost grants, due to come into force in 2019/20, to support the 2018 and 2019 teacher pay settlements.
- Reduction in funding in other areas.
- Caps or delays on the implementation of the National Funding Formula.
- National and Local government policy towards school transport provision.

It is the intention of the trustees, over time, to generate surpluses to enable the School to build up a suitable level of reserves. However, due to the comparatively low levels of reserves, the governors have reviewed a medium term plan.

This plan was conservative in nature to allow a true picture of the schools financial risks. It did not consider the full impact of the National Funding Formula due to continued political uncertainty regarding levels of funding. However, Thomas Mills High School is at present set to benefit from this formula and so trustees continue to be prudent in their forward planning by excluding it at this stage. The plan also doesn't consider full funding for pensions and increased staff costs as the DfE has not confirmed these for the three years of the plan.

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

### 1 Statement of Accounting Policies (continued)

Since approving the schools medium term plan the following positive information has been made available to trustees:

Funding increases: Pupil Numbers

- Our pupil number projections are accurate and conservative.
  - 2019 census numbers were two higher in main school compared with our 5 year budgeting assumptions.
  - 2019 census numbers were five higher in the Sixth form compared with our 5 year budgeting assumptions.
- Pupil numbers have grown steadily and from different sources.
  - Over 50% of the current year 7 intake are from out of catchment children.
  - The intake comes from a diverse group of over 35 different primary providers.
  - The school is not dependent on poor performance of schools in neighbouring catchment areas as we are bordered by either good or outstanding schools.
  - Post 16 numbers are improving following increases in the main school with very high retention rates from GCSE to A Level.

Funding Increases: Increased funding levels

- The notional NFF funding allocations for 2020/21 show a 4.65% increase in funding against baseline figures equivalent to £191,000 Based on October 2019 census information where pupil numbers are 37 higher than the NFF baseline this should also produce another six-figure increase in funding.
- Sixth form funding is due to increase by 4.7% to £4188 per pupil. Based on current numbers this alone will bring in over £48,000 in 2020/21.

Once the full impact of NFF has been confirmed, both nationally and locally, a new medium term plan will be produced for trustees to consider.

### Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

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

### 1 Statement of Accounting Policies (continued)

#### Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

#### Tangible Fixed Assets

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

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

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

- |                                  |          |
|----------------------------------|----------|
| • Freehold Buildings             | Nil      |
| • Long Leasehold Buildings       | 50 years |
| • Fixtures, fittings & equipment | 5 years  |
| • Computer hardware              | 3 years  |
| • Motor Vehicles                 | 5 years  |

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

#### Liabilities

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

#### Leased Assets

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

#### Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

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

### 1 Statement of Accounting Policies (continued)

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### Stock

Unsold stock is valued at the lower of cost or net realisable value.

#### Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Pensions Benefits

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

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

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

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

#### Fund Accounting

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

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

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

#### Critical accounting estimates and areas of judgement

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

#### *Critical accounting estimates and assumptions*

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

**Notes to the Financial Statements for the Year Ended 31 August 2019****1 Statement of Accounting Policies (continued)**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions includes the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension liability.

**Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 25.

**Notes to the Financial Statements for the Year Ended 31 August 2019****2 Donations and Capital Grants**

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>Capital grants</b>				
Devolved Formula Capital	-	83,844	83,844	23,935
Condition Improvement Fund	-	6,415	6,415	117,723
<b>Other donations</b>	41,258	17,903	59,161	5,659
	<b>41,258</b>	<b>108,162</b>	<b>149,420</b>	<b>147,317</b>

**3 Funding for the Academy Trust's Educational Operations**

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>DfE/ESFA Revenue Grants</b>				
General Annual Grant	-	4,933,512	4,933,512	4,786,360
Pupil Premium	-	120,743	120,743	107,803
Rates Relief	-	26,282	26,282	13,410
Year 7 Catch up Grant	-	7,573	7,573	7,035
Teachers Pay Grant	-	50,328	50,328	-
FSM Supplement Grant	-	440	440	-
	-	5,138,878	5,138,878	4,914,608
<b>Other Government Grants</b>				
SEN Funding	-	14,400	14,400	8,502
SCDC Sports Centre Grant	-	12,014	12,014	22,945
Other Government Grants	-	1,779	1,779	1,873
	-	28,193	28,193	33,320
<b>Other income from the academy trust's educational operations</b>				
Academy Trips	350,147	-	350,147	331,684
Other Income	-	8,250	8,250	20,523
	<b>350,147</b>	<b>5,175,321</b>	<b>5,525,468</b>	<b>5,300,135</b>

**4 Other Trading Activities**

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Hire of Facilities	31,102	-	31,102	24,299
Items Sold	35,633	-	35,633	45,968
Insurance Claims	-	-	-	11,179
Income from Services Provided	53,454	-	53,454	46,274
	<b>120,189</b>	-	<b>120,189</b>	<b>127,720</b>

**Notes to the Financial Statements for the Year Ended 31 August 2019****5 Investment Income**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2019</b>	<b>Total 2018</b>
	£	£	£	£
Bank Interest	426	-	426	440
	<u>426</u>	<u>-</u>	<u>426</u>	<u>440</u>

**6 Expenditure**

	<b>Non Pay Expenditure</b>			<b>Total 2019</b>	<b>Total 2018</b>
	<b>Staff Costs</b>	<b>Premises</b>	<b>Other</b>	£	£
	£	£	£	£	£
Expenditure on raising funds					
• Allocated Support Costs	-	-	72,815	<b>72,815</b>	77,973
Academy's educational operations					
• Direct Costs	3,798,018	-	705,003	<b>4,503,021</b>	4,292,103
• Allocated Support Costs	613,214	608,473	286,604	<b>1,508,291</b>	1,390,788
	<u>4,411,232</u>	<u>608,473</u>	<u>1,064,422</u>	<u><b>6,084,127</b></u>	<u>5,760,864</u>

**Net Income/(expenditure) for the period includes:**

	<b>2019</b>	<b>2018</b>
	£	£
Operating lease rentals	<b>34,666</b>	35,666
Depreciation	<b>259,438</b>	265,108
Fees payable to auditor for:		
- audit (current year)	<b>11,230</b>	10,800
- audit prior year	<b>765</b>	6,957
- other services	<b>910</b>	7,776

**Notes to the Financial Statements for the Year Ended 31 August 2019****7 Charitable Activities**

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>Direct costs - educational operations</b>	<b>4,503,021</b>	<b>4,292,103</b>
<b>Support costs - educational operations</b>	<b>1,508,291</b>	<b>1,390,788</b>
	<b><u>6,011,312</u></b>	<b><u>5,682,891</u></b>

	<b>Educational Operations £</b>	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>Analysis of support costs</b>			
Support staff costs	613,214	<b>613,214</b>	<b>582,684</b>
Depreciation	259,438	<b>259,438</b>	<b>265,108</b>
Technology costs	41,167	<b>41,167</b>	<b>49,658</b>
Premises costs	349,035	<b>349,035</b>	<b>299,271</b>
Other support costs	232,472	<b>232,472</b>	<b>168,534</b>
Governance costs	12,965	<b>12,965</b>	<b>25,533</b>
<b>Total support costs</b>	<b><u>1,508,291</u></b>	<b><u>1,508,291</u></b>	<b><u>1,390,788</u></b>

**8 Staff**

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
<b>a. Staff costs</b>		
Staff costs during the period were:		
Wages and salaries	<b>3,441,465</b>	<b>3,349,271</b>
Social security costs	<b>331,822</b>	<b>324,053</b>
Operating costs of defined benefit pension schemes	<b>626,453</b>	<b>614,017</b>
	<b><u>4,399,740</u></b>	<b><u>4,287,341</u></b>
Supply staff costs	<b>11,492</b>	<b>-</b>
	<b><u>4,411,232</u></b>	<b><u>4,287,341</u></b>

**b. Staff numbers**

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

	<b>2019 No.</b>	<b>2018 No</b>
Teachers	73	74
Administration and support	40	32
Management	5	6
	<b><u>118</u></b>	<b><u>112</u></b>

**c. Higher paid staff**

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

	<b>2019 No.</b>	<b>2018 No</b>
£60,001 - £70,000	-	1
£90,001 - £100,000	1	1

**Notes to the Financial Statements for the Year Ended 31 August 2019****8 Staff (continued)****d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £456,769 (2018: £457,848)

**9 Related Party Transactions - Trustees' Remuneration and Expenses**

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

The value of trustees' remuneration was as follows:

P Hurst (Headteacher and Accounting Officer):

Remuneration £95,000 - £100,000 (2018: £90,000 – 95,000)

Employers pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000)

R Hanley (Staff Governor):

Remuneration £50,000 - £55,000 (2018: £45,000 - £50,000)

Employers pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

S Peters (Staff Governor):

Remuneration £45,000 - £50,000 (2018: £45,000 - £50,000)

Employers pension contributions £0 - £5,000 (2018: £0 - £5,000)

A Chittock (Staff Governor):

Remuneration £45,000 - £50,000 (2018: £50,000 - £55,000)

Employers pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000)

During the period ended 31 August 2019, training expenses totalling £60 were reimbursed to two trustees (2018: £nil).

Other related party transactions involving the trustees are set out in note 24.

**10 Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2019 was £176 (2018: £154).

The cost of this insurance is included in the total insurance cost.

**Notes to the Financial Statements for the Year Ended 31 August 2019****11 Tangible Fixed Assets**

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles	Total £
<b>Cost</b>					
At 1 September 2018	8,350,001	314,600	337,378	25,095	<b>9,027,074</b>
Additions	10,117	31,516	13,704	-	<b>55,337</b>
At 31 August 2019	<b>8,360,118</b>	<b>346,116</b>	<b>351,082</b>	<b>25,095</b>	<b>9,082,411</b>
<b>Depreciation</b>					
At 1 September 2018	1,192,501	121,697	265,202	25,095	<b>1,604,495</b>
Charged in year	164,761	57,395	37,282	-	<b>259,438</b>
At 31 August 2019	<b>1,357,262</b>	<b>179,092</b>	<b>302,484</b>	<b>25,095</b>	<b>1,863,933</b>
<b>Net Book Values</b>					
At 31 August 2018	<i>7,157,500</i>	<i>192,903</i>	<i>72,176</i>	-	<b>7,422,579</b>
At 31 August 2019	<b>7,002,856</b>	<b>167,024</b>	<b>48,598</b>	-	<b>7,218,478</b>

The leasehold property 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 Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

The leasehold land and buildings are owned by Suffolk County Council. The Academy Trust holds a 125 year leasehold on a peppercorn rent from 1 July 2011.

**12 Stock**

	2019 £	2018 £
Clothing	420	451
Art Equipment	-	532
Heating Oil	500	6,500
	<b>920</b>	<b>7,483</b>

**13 Debtors**

	2019 £	2018 £
VAT recoverable	85,047	158,666
Other debtors	-	107
Prepayments and accrued income	125,675	133,976
	<b>210,722</b>	<b>292,749</b>

**Notes to the Financial Statements for the Year Ended 31 August 2019****14 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	155,958	229,873
Taxation and social security	84,427	80,858
Other creditors	83,893	75,282
Accruals and deferred income	65,269	94,614
	<u>389,547</u>	<u>480,627</u>

**Deferred Income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred Income at 1 September 2018	69,483	61,365
Released from previous years	(69,483)	(61,365)
Resources deferred in the year	51,069	69,483
Deferred Income at 31 August 2019	<u>51,069</u>	<u>69,483</u>

At the balance sheet date the academy trust was holding funds received in advance for academy trips due to take place in 19/20 (£34,605) and rates relief from the ESFA (£16,464).

**15 Funds**

	<b>Balance at</b>				<b>Balance at</b>	
	<b>1 September</b>				<b>31 August</b>	
	<b>2018</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Gains /</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>(Losses)</b>	<b>£</b>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	4,933,512	(4,921,613)	(11,899)	-	-
Pupil Premium	-	120,743	(120,743)	-	-	-
Other ESFA/DfE Grants	-	99,341	(99,341)	-	-	-
Other restricted Funds	12,882	39,628	(46,188)	19,404	-	25,726
Pension reserve	(406,000)	-	(201,000)	118,000	(417,000)	(906,000)
	<u>(393,118)</u>	<u>5,193,224</u>	<u>(5,388,885)</u>	<u>125,505</u>	<u>(417,000)</u>	<u>(880,274)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA Capital Grants	128,431	90,259	-	(74,741)	-	143,949
NBV of fixed assets	7,422,579	-	(259,438)	55,337	-	7,218,478
	<u>7,551,010</u>	<u>90,259</u>	<u>(259,438)</u>	<u>(19,404)</u>	<u>-</u>	<u>7,362,427</u>
<b>Total restricted funds</b>	<u>7,157,892</u>	<u>5,283,483</u>	<u>(5,648,323)</u>	<u>106,101</u>	<u>(417,000)</u>	<u>6,482,153</u>
<b>Unrestricted funds</b>						
Unrestricted funds	75,681	512,020	(435,804)	(106,101)	-	45,796
<b>Total unrestricted funds</b>	<u>75,681</u>	<u>512,020</u>	<u>(435,804)</u>	<u>(106,101)</u>	<u>-</u>	<u>45,796</u>
<b>Total funds</b>	<u>7,233,573</u>	<u>5,795,503</u>	<u>(6,084,127)</u>	<u>-</u>	<u>(417,000)</u>	<u>6,527,949</u>

**Notes to the Financial Statements for the Year Ended 31 August 2019****15 Funds (continued)**

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

**Restricted general funds**

The restricted general fund consists of recurrent grants, the use of which is restricted to educational purposes.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust via the ESFA. The GAG fund is used for the normal running costs of the Academy Trust during the year.

Pupil Premium shows the restricted funding (and its associated expenditure) received from the ESFA to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

Other DfE/ESFA Grants recognises funding received from the DfE/ESFA which falls outside the scope of core funding. This amount includes funding for Rates Relief, Year-7 catch up funding, Teachers' Pay Grant funding and Free School Meals Supplement funding.

Other Government Grants shows restricted funding received from any other Government bodies which falls outside the scope of core funding. This includes income received from Suffolk County Council for Special Educational Needs. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

Other Activities shows any restricted income/expenditure which falls outside the scope of the Academy Trust's core funding. This includes transactions with the Farlingaye/Kesgrave Teaching Alliance and donations received in year. Included in other activities is The Fab Labs: Building new scientists fund included within other restricted Funds relates to donations received for the update of the science labs and the expenditure in the year related to fundraising costs.

**Restricted fixed asset funds**

The government capital funds are provided by the government for specific capital projects.

DfE/ESFA Capital Grants shows funds which have been received from the DfE/ESFA for use on existing assets and acquisition of new assets. In year the trust received £83,844 of Devolved Formula Capital and £6,415 of Condition Improvement Funding.

NBV of Fixed Assets recognises the value of fixed assets held by the Academy. Transfers are made into this category when an asset is purchased either from 'DfE/ESFA Capital Grants' or from the relevant fund. Depreciation of assets is reflected in the expenditure column.

**Unrestricted funds**

These funds relate to unrestricted income to be used to support the academy trust's objectives and educational activities.

**Transfers in/(out)**

Transfers of £19,404 have been made from restricted fixed asset fund to the restricted general fund to fund maintenance projects.

A transfer of £118,000 was made from GAG to the pension reserve in relation to the pension service costs for the year.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

A transfer of £106,101 was made from Unrestricted funds to GAG to cover continuing expenditure.

The trust is carrying a net surplus of £25,726 (excluding pension reserve) on restricted general funds and a net surplus of £45,796 unrestricted funds.

**Notes to the Financial Statements for the Year Ended 31 August 2019****15 Funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Gains / (Losses) £	Balance at 31 August 2018 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	4,786,360	(4,714,462)	(71,898)	-	-
Pupil Premium	-	107,803	(107,803)	-	-	-
Other ESFA/DfE Grants	-	20,445	(20,445)	-	-	-
Other Government Grants	-	33,320	(33,320)	-	-	-
Other Activities	13,000	21,405	(21,523)	-	-	12,882
Pension reserve	(546,000)	-	(202,000)	112,000	230,000	(406,000)
	<b>(533,000)</b>	<b>4,969,333</b>	<b>(5,099,553)</b>	<b>40,102</b>	<b>230,000</b>	<b>(393,118)</b>
<b>Restricted fixed asset funds</b>						
DfE/ESFA Capital Grants	77,234	141,658	(45,319)	(45,142)	-	128,431
NBV of fixed assets	7,625,712	-	(265,108)	61,975	-	7,422,579
	<b>7,702,946</b>	<b>141,658</b>	<b>(310,427)</b>	<b>16,833</b>	<b>-</b>	<b>7,551,010</b>
<b>Total restricted funds</b>	<b>7,169,946</b>	<b>5,110,991</b>	<b>(5,409,980)</b>	<b>56,935</b>	<b>230,000</b>	<b>7,157,892</b>
<b>Unrestricted funds</b>						
Unrestricted funds	18,879	464,621	(350,884)	(56,935)	-	75,681
<b>Total unrestricted funds</b>	<b>18,879</b>	<b>464,621</b>	<b>(350,884)</b>	<b>(56,935)</b>	<b>-</b>	<b>75,681</b>
<b>Total funds</b>	<b>7,188,825</b>	<b>5,575,612</b>	<b>(5,760,864)</b>	<b>-</b>	<b>230,000</b>	<b>7,233,573</b>

**16 Analysis of Net Assets between Funds**

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2019 £
Tangible Fixed assets	-	-	7,218,478	7,218,478
Current assets	57,392	403,677	143,949	605,018
Current liabilities	(11,596)	(377,951)	-	(389,547)
Pension scheme liability	-	(906,000)	-	(906,000)
<b>Total net assets</b>	<b>45,796</b>	<b>(880,274)</b>	<b>7,362,427</b>	<b>6,527,949</b>

**Notes to the Financial Statements for the Year Ended 31 August 2019****16 Analysis of Net Assets between Funds (continued)**

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2018 £
Tangible Fixed assets	-	-	7,422,579	7,422,579
Current assets	243,583	287,238	166,800	697,621
Current liabilities	(167,902)	(274,356)	(38,369)	(480,627)
Pension scheme liability	-	(406,000)	-	(406,000)
<b>Total net assets</b>	<b>75,681</b>	<b>(393,118)</b>	<b>7,551,010</b>	<b>7,233,573</b>

**17 Commitments under Operating Leases****Operating Leases**

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

	2019 £	2018 £
Amounts due within one year	31,032	34,666
Amounts due between one and five years	126,149	118,183
Amounts due after five years	-	38,997
	<b>157,181</b>	<b>191,846</b>

**18 Reconciliation of Net Expenditure to Net Cash flow from operating activities**

	2019 £	2018 £
Net expenditure for the year (as per the statement of financial activities)	(288,624)	(185,252)
Adjusted for:		
Depreciation (note 11)	259,438	265,108
Capital grants from DfE and other capital income (note 2)	(90,259)	(141,658)
Interest receivable (note 5)	(426)	(440)
Defined benefit pension scheme cost less contributions payable (note 23)	71,000	75,000
Defined benefit pension scheme finance cost (note 23)	12,000	15,000
(Increase)/decrease in stocks	6,563	(6,622)
(Increase)/decrease in debtors	82,027	(27,211)
Increase/(decrease) in creditors	(91,080)	(202,089)
<b>Net cash used in Operating Activities</b>	<b>(39,361)</b>	<b>(208,164)</b>

**19 Cash Flows from Financing Activities**

	2019 £	2018 £
Repayments of borrowing	-	(16,376)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(16,376)</b>

**Notes to the Financial Statements for the Year Ended 31 August 2019****20 Cash Flows from Investing Activities**

	<b>2019</b>	<b>2018</b>
	£	£
Dividends, interest and rents from investments	<b>426</b>	440
Purchase of tangible fixed assets	<b>(55,337)</b>	(61,975)
Capital grants from DfE / ESFA	<b>90,259</b>	141,658
<b>Net cash provided by investing activities</b>	<b><u>35,348</u></b>	<b><u>80,123</u></b>

**21 Analysis of Cash and Cash Equivalents**

	At 1 September 2018	Cash flows	At 31 August 2019
	£	£	£
Cash in hand and at bank	397,389	(4,013)	<b>393,376</b>
<b>Total cash and cash equivalents</b>	<b><u>397,389</u></b>	<b><u>(4,013)</u></b>	<b><u>393,376</u></b>

**22 Members' Liability**

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

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

### 23 Pension and Similar Obligations

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

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

Contributions amounting to £70,061 (2018: £66,432) were payable to the schemes at 31 August 2019 and are included within creditors.

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £430,627 (2018: £420,003).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension website](#)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £153,825 (2018: £145,984), of which employer's contributions totalled £124,825 (2018: £118,984) and employees' contributions totalled £29,000 (2018: £27,000). The agreed contribution rates for future years are 25.3% for employers and a variable % for employees dependant on the salary of individuals as follows:

**Notes to the Financial Statements for the Year Ended 31 August 2019****23 Pension and Similar Obligations (continued)**

<b>Annual Salary</b>	<b>Contribution Rate</b>
£0 - £14,400	5.50%
£14,101 - £22,000	5.80%
£22,001 - £35,700	6.50%
£35,701 - £45,200	6.80%
£45,201 - £63,100	8.50%
£63,101 - £89,400	9.90%
£91,501 - £107,700	10.50%

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

**Principal Actuarial Assumptions**

	<b>At 31 August 2019 p.a.</b>	<b>At 31 August 2018 p.a.</b>
Rate of increase in salaries	<b>2.60%</b>	2.70%
Rate of increase for pensions in payment/inflation	<b>2.30%</b>	2.40%
Discount rate for scheme liabilities	<b>1.80%</b>	2.80%
Inflation assumption (CPI)	<b>2.30%</b>	2.40%
Commutation of pensions to lump sums	<b>25.00%</b>	25.00%
Commutation of pensions to lump sums	<b>63.00%</b>	63.00%

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

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
<i>Retiring today</i>		
Males	<b>21.3</b>	21.9
Females	<b>23.5</b>	24.4
<i>Retiring in 20 years</i>		
Males	<b>22.3</b>	23.9
Females	<b>24.9</b>	26.4

**Notes to the Financial Statements for the Year Ended 31 August 2019****23 Pension and Similar Obligations (continued)**

<b>Sensitivity analysis</b>	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
	<b>£</b>	<b>£</b>
Discount rate -0.5%	407,000	309,000
Mortality assumption - 1 year increase	131,000	101,000
Salary Rate +0.5%	51,000	44,000
Pension Rate +0.5%	348,000	261,000

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

	<b>Fair value at 31 August 2019</b>	<b>Fair value at 31 August 2018</b>
	<b>£</b>	<b>£</b>
Equities	1,184,500	1,318,120
Corporate bonds	639,630	574,020
Property	521,180	212,600
Cash and other liquid assets	23,690	21,260
<b>Total market value of assets</b>	<b>2,369,000</b>	<b>2,126,000</b>

The actual return on scheme assets was £113,000 (2018: £97,000).

**Amounts recognised in the statement of financial activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current service cost	(179,000)	(187,000)
Past service cost	(10,000)	-
Interest income	61,000	49,000
Interest cost	(73,000)	(64,000)
Total amount recognised in the SOFA	<b>(201,000)</b>	<b>(202,000)</b>

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>At 1 September</b>	<b>2,532,000</b>	<b>2,452,000</b>
Current service cost	179,000	187,000
Interest cost	73,000	64,000
Employee contributions	29,000	27,000
Actuarial loss/(gain)	469,000	(182,000)
Benefits paid	(17,000)	(16,000)
Past service cost	10,000	-
<b>At 31 August</b>	<b>3,275,000</b>	<b>2,532,000</b>

**Notes to the Financial Statements for the Year Ended 31 August 2019****Changes in the fair value of academy's share of scheme assets:**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>At 1 September</b>	<b>2,126,000</b>	<b>1,906,000</b>
Interest income	<b>61,000</b>	<b>49,000</b>
Actuarial gain/(loss)	<b>52,000</b>	<b>48,000</b>
Employer contributions	<b>118,000</b>	<b>112,000</b>
Employee contributions	<b>29,000</b>	<b>27,000</b>
Benefits paid	<b>(17,000)</b>	<b>(16,000)</b>
<b>At 31 August</b>	<b>2,369,000</b>	<b>2,126,000</b>

**24 Related Party Transactions**

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

Income related party transactions

## The Michael Sims Memorial Fund

- The Academy Trust received donations totalling £3,619 (2018: £3,004) from the Michael Sims Memorial Fund. The amount was used for science and general learning books and prizes at the Schools Awards Evening.

## Thomas Mills Prizes

- The Academy Trust received donations totalling £279 (2018: £319) from Thomas Mills Prizes. The amount was used for prizes at the Schools Awards Evening.

**25 Agency Arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. There was a balance brought forward from previous years of £6,571 (2018: £5,202). In the accounting period ending 31 August 2019 the trust received £12,613 (2018: £13,067) and disbursed £10,992 (2018: £11,698) from the fund. An amount of £8,192 (2018: £6,571) is included in other creditors relating to undistributed funds that is repayable to ESFA.

**26 Financial instruments**

The carrying amount for each category of financial instrument is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Accrued income (note 13)	<b>20,596</b>	<b>29,662</b>
Other debtors (note 13)	<b>-</b>	<b>107</b>
	<b>20,596</b>	<b>29,769</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors (note 14)	<b>155,958</b>	<b>229,873</b>
Accruals (note 14)	<b>14,200</b>	<b>25,131</b>
Other creditors (note 14)	<b>83,893</b>	<b>75,282</b>
	<b>254,051</b>	<b>330,286</b>