

THE MILL ACADEMY (formerly THE HENRY BOX SCHOOL)
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Trust, its directors and advisers	1
Governors' report	2 - 8
Governance statement	9 - 13
Statement on regularity, propriety and compliance	14
Governors' responsibilities statement	15
Independent auditor's report	16 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities	20 - 21
Balance sheet	22
Cash flow statement	23
Notes to the financial statements	24 - 40

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Directors

R Bradley, Chair (resigned 31 August 2015)
R Ireland, Chair (appointed 21 September 2015)
P Currah, Vice Chair (resigned 15 December 2014)
G Armstrong, Vice Chair (appointed 16 December 2014, resigned 21 September 2015)
M Swann, Vice Chair (appointed 21 September 2015)
C Chadwick (appointed 21 September 2015)
L Miles (appointed 21 September 2015)
J Wymer (appointed 21 September 2015)
S Clarke (resigned 21 September 2015)
C Francis (resigned 17 July 2015)
M Franklin (resigned 21 September 2015)
C Hardie, Staff Trustee (resigned 21 September 2015)
W Hemmingsley, Chief Executive Officer, Headteacher of The Henry Box School and Accounting Officer
H Bartlett, Headteacher of Queen Emma's Primary (appointed 21 September 2015)
A Holmes (resigned 21 September 2015)
S Hunt, Staff Trustee (resigned 21 September 2015)
N Kaye (resigned 21 September 2015)
J Kerkhecker (resigned 21 September 2015)
Z Lanczak, Staff Trustee (resigned 21 September 2015)
H Marshall (resigned 21 September 2015)
P Maycock (resigned 21 September 2015)
R Mellis (appointed 15 December 2014, resigned 21 September 2015)
M Perry (resigned 21 September 2015)
J Phipps (resigned 21 September 2015)
B Staynings (appointed 20 October 2014, resigned 21 September 2015)

Company registered number

08060721

Principal and registered office

Church Green, Witney, Oxfordshire, OX28 4AX

Company secretary

T Hodges

Chief executive officer

W Hemmingsley

Independent auditor

James Cowper Kreston, 2 Chawley Park, Cumnor Hill, Oxford, Oxfordshire, OX2 9GG

Bankers

Lloyds Bank Plc, 2 Market Square, Witney, Oxfordshire, OX28 5RD

Solicitors

Rickerbys LLP Solicitors, Ellenborough House, Wellington Street, Cheltenham, Gloucestershire, GL50 1YD

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

In this report the term Director and Trustee are interchangeable. The term Director will be used throughout for the sake of consistency.

The Directors present their annual report together with the audited financial statements of The Mill Academy ('the Trust' or 'the charitable company') for the period ended 31 August 2015. Until 1 October 2015, the charitable company operated as a stand-alone academy under the name The Henry Box School ('the School'). On 1 October 2015 the charitable company converted to a multi-academy trust, The Mill Academy; and became responsible for an additional 2 academies, Queen Emma's Primary School and Finstock Church of England (CofE) Primary School.

This report refers to the constitution, activities, policies and structures in operation during the period covered by this report. However, governance structures have subsequently been revised to accommodate the requirements of the multi-academy trust from 1st October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust, which was incorporated on 8 May 2012 and opened as an Academy on 1 June 2012, 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 Trust.

The Directors act as the Trustees for the charitable activities of the Trust and are directors of the charitable company for the purposes of company law.

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

The trust operates 3 academies in West Oxfordshire. Its academies have a combined pupil capacity of 1889 and had a roll of 1561 in the school census on 1st October 2015.

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 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.

Directors' Indemnities

The Directors benefit from indemnity insurance purchased by the Trust to cover the liability of the Directors arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £5,000,000.

Principal Activities

The principal activity of the Trust is to advance education in the United Kingdom for the public benefit, ensuring each of its academies is at the heart of its community, promoting community cohesion and sharing facilities with other schools and/or other educational institutions and the wider community.

Method of Recruitment and Appointment or Election of Governors

For the period of this report, the Trust had the following Directors as set out in its Articles of Association and Funding Agreement:

- up to 6 Parent Directors who are elected by the parents of registered pupils at the Trust;
- up to 3 Staff Directors appointed by the Members (provided that the total number of Directors, including the Headteacher, who are employees of the Trust, does not exceed one third of the total number of Directors);
- 1 Director appointed by the Worshipful Company of Grocers;
- 1 Director appointed by Oriel College, Oxford;
- up to 6 Directors to represent the local community who are appointed by the Board of Directors; and
- The Headteacher who is treated for all purposes as being an ex-officio Director.

Directors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Director, any Director can be re-appointed or re-elected.

When appointing new Directors, the Board of Directors will give consideration to the skills and experience mix of existing Directors in order to ensure the Board has the necessary skills to contribute fully to the Trust's development.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of the School and a chance to meet staff and students. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Directors. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate..

Organisational Structure

The Board of Directors normally meets four times a year and in addition to these meetings holds an annual workshop. The Board of Directors establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees of the Board of Directors and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board of Directors may from time to time establish working groups to perform specific tasks over a limited timescale.

There are four Committees of the Board of Directors as follows:

- Learning & Achievement
- Community & Ethos
- Finance & Resources
- Audit

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The Directors are responsible for setting general policies, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Trust by the use of budgets and other data, and making the major decisions about the direction of the Trust, capital expenditure and staff appointments.

The Directors have devolved the day-to-day management of the Trust to the Headteacher and the Strategic Leadership Team ('SLT'). The SLT comprises the Headteacher, Deputy Headteachers, Assistant Headteachers and the Business Manager. The SLT implement the policies laid down by the Directors and report back to them on performance.

Risk Management

The Directors have adopted a risk management policy and are implementing a consistent system (including a Risk Register) across all its academies to assess risks that the Trust faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of the Trust. There are no sponsors associated with the Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objects of the Trust, as set out in its Articles of Association, are to:

- a) to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:
 - (i) Academies other than those designated Church of England, whether with or without a designated religious character; and
 - (ii) Church of England academiesbut in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.
- b) in relation to the non-Church of England academies to promote for the benefit of the inhabitants of Witney 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 the objects of improving the condition of life of the said inhabitants.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The broad aims of the Trust are summarised below:

- To ensure that every student realises their potential in terms of high quality qualifications.
- To reveal and build character in our students to leave every one of them proud of their schooling and rich in memories
- To ensure that every student leaving school is strong literacy and numeracy, and has valuable life skills, as well as high personal standards and self-esteem.
- To ignite in our students a love of learning which will serve them well throughout their lives.

Objectives, Strategies and Activities

The key priorities for the period are contained in the School's Development Plan which is available from the Headteacher.

The main activities of the School for the period ended 31 August 2015 were focused as follows:

- To ensure that every student realises their potential in terms of high quality qualifications by improving the quality of teaching, marking, assessment and homework, and by reducing in school variation.
- To reveal and build character in our students to leave every one of them proud of their schooling and rich in memories by raising participation in enrichment activities, increasing student leadership opportunities and engaging and involving parents more.
- To ensure that every student leaving school is strong in literacy and numeracy, has valuable life skills, and high personal standards and self-esteem by designing and developing a curriculum that enables students to achieve beyond national expectations.
- To ignite in our students a love of learning which will serve them well throughout their lives by creating a learning culture for all members of the school community.

Public Benefit

The Directors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

The School is in its third period of operation since conversion on 1 June 2012.

The total number of students at the School as at the October 2015 census date was 1,255, of which 205 are sixth form students.

The Trust is committed to continual improvement which is achieved in a number of ways; including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning.

The particular achievements and performance of the School during the period ended 31 August 2015 were as follows:

GCSE Results

	All	Male	Female
Number of candidates	222	111	111
EBacc	32%	23%	41%
5A*-C (EM)	66%	63%	67%
5A*-C	72%	69%	74%
5A*-G	92%	93%	91%
Average Total Point Score per Student (Capped)	320	320	320

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

GCE Results

	*A/B grades	*A-C grades	*A-E grades
2015	47%	68%	97%
2014	53%	78%	99%
2013	52%	79%	99%
2012	52%	78%	99%
2011	56%	82%	100%

The School was subject to an Ofsted inspection in June 2013 and received an overall rating of Good, as well as individual judgements of Good in the categories of:

- Achievement of Students
- Quality of Teaching
- Behaviour and Safety of Students; and
- Leadership and Management.

Some key points from the report were:

- "Teaching is mainly good or outstanding and that is why progress is improving rapidly".
- Teachers have "high expectations of what students can do".
- "Students enjoy good relationships with each other and their teachers. They feel safe at school and say nothing worries them to prevent their learning".
- "The sixth form is well led. It provides a good range of academic courses that are taught well".
- "The Board of Governors is very well organised and has instigated a long-term plan for the development of the school".

Further details can be found on the School's website at www.henrybox.oxon.sch.uk

Going Concern

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

Strategic report, including Key Performance Indicators

Although the Trust's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2015, the balance of the GAG Restricted Fund was £95,577 (2014: £526,499).

As the majority of the Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census was 1,255.

FINANCIAL REVIEW

The majority of the Trust's income is received from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

During the period ended 31 August 2015, the total expenditure of £7,073,847 was covered by the recurrent grant funding from the DfE, together with other incoming resources (excluding the net assets transferred on conversion from the Local Authority). The deficit of incoming resources over total expenditure for the period was £133,345.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The net book value of fixed assets at 31 August 2015 were £19,120,632, which includes the value of land and buildings transferred on conversion of £18,171,136 and depreciation charges for the period of £429,296.

The fixed assets held by the Trust are used exclusively for providing education and associated support services to the students of the Trust.

The balance of total funds held at 31 August 2015 were £18,367,640 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£307,962
Restricted Pension Liability Fund	£1,834,000
Restricted Fixed Asset Fund	£19,354,428
Unrestricted Funds	£539,250

The key financial policies include the Financial Procedures Policies and Manual, which lays out the framework for the Trust's financial management, including financial responsibilities of the Board of Directors, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Data Protection and Governors' Allowances.

Financial and Risk Management Objectives and Policies

The Trust has agreed a Risk Management Policy, and at the School a Risk Register and a Risk Management Plan. These have been discussed by the Directors and include the financial risks to the Trust. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Directors have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Directors have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Directors have ensured the Trust has adequate insurance cover.

The risks to the Trust's revenue funding from a falling roll are small. However, the current freeze on the Governments overall education budget, and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Directors examine the financial health of the Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Directors and Finance and Resources Committee meetings.

At the balance sheet date, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Trust's liquidity.

The Directors recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Trust. However, as the Directors consider the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Trust are as follows:

Financial

The Trust has considerable reliance on continued Government funding through the EFA. In the period, approximately 95% of the School's incoming resources (excluding amounts transferred on conversion from the Local Authority and Fixed Asset Funds) was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Directors continue to review and ensure appropriate measures are in place to mitigate these risks.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Reputational

The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Directors ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Trust is reliant on the quality of its staff so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Trust has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

Reserves Policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors also take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Directors have determined that the appropriate level of free cash reserves should be approximately 5% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Trust's current level of reserves is £18,367,640, of which £842,519 is free/useable reserves (that is, total funds less the amount held in fixed assets and restricted funds).

Investment Policy

All funds are held on deposit with Lloyds Bank. Short term deposits where there is no risk to capital are made with funds that are surplus to immediate requirements from time to time in order to take advantage of interest rates higher than that payable on the current account.

PLANS FOR FUTURE PERIODS

The Trust strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Trust's plans for future periods are to become an outstanding school and to improve student outcomes through:

- Improving learning and teaching
- Increasing community engagement and improving ethos
- Personalising the curriculum through its design and development
- Developing a learning culture

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

As part of The Mill Academy, the School is working in formal collaboration with two primary schools and expects this number to increase over the next two years. The strategic priorities for The Mill Academy are:

1. Ensure that all teaching across the MAT is outstanding;
2. Ensure that the progress of disadvantaged students is at least in line with non-disadvantaged nationally;
3. Increase parental engagement to increase rates of progress and attendance;
4. Increase levels of literacy to increase rates of progress;
5. Ensure that the curriculum is designed to meet the needs of all students.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Directors do not act as Custodian Trustees of any other charity.

AUDITOR

In so far as the Governors are aware:

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

This report, incorporating the Strategic report, was approved by order of the Board of Directors, as the company directors, on 9 December 2015 and signed on the board's behalf by:



.....
R Ireland
Chair of Directors

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Directors 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 The Mill Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors, including all Committees, any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' Report and in the Directors' Responsibilities Statement. The Board of Directors has formally met 6 times during the year ended 31 August 2015. Attendance during the year at meetings of the Governing Body was as

	Meetings attended	Out of a possible
R Bradley, Chair	5	6
G Armstrong, Vice Chair (from 15/12/14)	5	6
S Clarke	5	6
C Francis	5	6
M Franklin	6	6
C Hardie, Staff Trustee	6	6
W Hemmingsley, Headteacher and Accounting Officer	6	6
A Holmes	5	6
S Hunt, Staff Trustee	6	6
N Kaye	6	6
J Kerkhecker	4	6
Z Lanczak, Staff Trustee	6	6
H Marshall	3	6
P Maycock	6	6
R Mellis	4	4
M Perry	4	6
J Phipps	5	6
B Staynings	5	6

The Finance and Resources Committee is a sub-committee of the Board of Directors. Its purpose is to provide guidance and assistance to the Board of Directors on all matters related to finance, resources, premises and Health & Safety of the Trust. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the EFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Trust and of public funds.

Attendance at meetings of the Finance Committee during the period was as follows:

	Meetings attended	Out of a possible
R Bradley, Chair	2	5
P Currah, Vice Chair	2	2
C Francis	4	5
C Hardie	5	5
A Holmes	5	5
N Kaye	3	5
J Kerkhecker	5	5
H Marshall	3	5
P Maycock	3	5
J Phipps	5	5

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Governance reviews

The governance arrangements for The Henry Box School were replaced by the new governance for The Mill Academy on the 1st October 2015. The new governance arrangements include maintaining a local governing board for each of the Academies in the Trust, with the arrangements for the Trust as a whole and each governing board being established during the coming year.

A skills audit is due to take place in December 2015 with a full governance review in early 2016. This is part of a wider review of governance across The Mill Academy schools. In 2014-15 Governors participated in training in key aspects of school improvement with themes including: Governor roles and responsibilities (external provider), how to interpret key school performance data and curriculum change at national level.

REVIEW OF VALUE FOR MONEY

As accounting officer the Headteacher has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust 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 Trust has delivered improved value for money during the year by:

- the avoidance of waste and extravagance;
- the prudent and economical administration of the organisation;
- the establishment and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting; and
- ensuring all financial transactions represent value for money.

Our guiding principles for ensuring best value for money can be summarised as:

- Rigorous procedures for establishing, reviewing and evaluating school budget, including comparisons against national good practice and benchmarking.
- A rigorous purchasing policy, ensuring value for money comparisons for purchased items.
- Rigorous evaluations of impact on student outcomes including examination results, value added progress, student attendance and transition.
- Sharing of good practice amongst collaborative schools.

The academy trust's use of its resources has provided good value for money during the academic year because Governors and the Strategic Leadership Team (SLT) apply the principles of best value when making decisions about:

- The allocation of resources to best promote the aims and values of the school;
- The targeting of resources to best improve standards and the quality of provision;
- The use of resources to best support the various educational needs of all students.

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time and or costs. Time wasted on minor improvements or savings can also distract leaders from more important or valuable areas. Therefore governors and SLT:

- Do not waste time and resources on investigating minor areas where few improvements can be achieved;
- Do not waste time and resources to make minor savings in cost;
- Do not waste time and resources seeking tenders for minor supplies and services.

Governors and SLT do:

- Make comparisons with other/similar schools using data provided by central government and other appropriate bodies, e.g. quality of teaching and learning, levels of expenditure.
- Challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual student achievement targets.
- Require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup.
- Consult individuals and organisations of quality/suitability of service we provide to parents and students, and services we receive from providers, e.g. the online parents' evening booking system and website

This will apply in particular to:

Staffing

Governors and SLT deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-student ratio

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

and curriculum management.

Teaching

Governors and SLT review the quality of curriculum provision and quality of teaching, to provide students with a curriculum which meets their needs in order to best prepare them for the next stage of their learning journey

Learning

Governors and SLT review the quality of student learning in order to provide teaching which enables students to achieve above nationally expected progress e.g. setting of annual student achievement targets; investment in professional development and systems which allow teachers to focus on learning.

Use of Premises

Governors and SLT consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources, e.g. the Learning Resource Centre.

Use of Resources

Governors and SLT deploy equipment, materials and services to provide students and staff with resources which support quality of teaching and quality of learning. The Academy benefits from employing its own Business Manager and finance team.

Purchasing

Governors and SLT have procedures in place for assessing need and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time and cost. These include:

- A competitive tendering procedure for goods and services above £25,000,
- Three written quotes for goods and services between £6,000 and £25,000,
- Tender exercises are undertaken to ensure that high value contracts are assessed against the marketplace to ensure that long term contracts (3 to 5 years) remain competitive,
- Procedures for accepting "best value" quotes which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship),
- Procedures to minimise office time by the purchase of goods or services under £1,000 direct from reliable suppliers (e.g. stationery, small equipment),
- An annual budget prepared in line with the needs identified within the School Improvement Plan,
- Regular monitoring and review of all aspects of finance through the Finance and Resources Committee, with detailed financial statements discussed.

Income Generation and Surplus Balances

Governors and SLT explore every opportunity to generate income through various means such as Initial Teacher Training providers and the hiring of Academy facilities.

Student Welfare

Governors and SLT review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and achievement.

Health and Safety

Governors and SLT review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for students, staff and visitors.

Monitoring of Best Value

Monitoring of these areas for best value took place:

- In-house by the Strategic Leadership Team and by other leaders in schools e.g. through quality assurance procedures
- By target setting meetings between members of the Strategic Leadership Team and subject and year leaders,
- In Annual Review meetings,
- In the Annual Budget Planning process and the preparation of the Annual Accounts,
- In the School Improvement Plan,
- Through the analysis of in-house student performance data including exam results, full details of exam results being available on the Academy website
- Through the analysis of RAISEonline student performance data,
- Through the analysis of financial data,
- In external reviews
- In classroom observations,
- In Governor Board meetings (Full Governor Board and Committee meetings),
- In stakeholder surveys

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

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 ongoing process designed to identify and prioritise the risks to the achievement of Trust's 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 at the School for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period from incorporation to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

THE RISK AND CONTROL FRAMEWORK

The 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 Directors;
- regular reviews by the Finance and Resources 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 Directors has considered the need for a specific internal audit function and has decided to appoint James Cowper Kreston as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On an annual basis, the internal auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors', including all Committees', financial responsibilities.

James Cowper Kreston has delivered their schedule of work and only minor issues have been raised. These have been addressed by the Directors and SLT on a timely basis. No significant weaknesses or discrepancies have been highlighted.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2015 the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on

and signed on their behalf by:



.....
R Ireland
Chair of Directors



.....
W Hemmingsley
Accounting Officer

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



.....
W Hemmingsley
Accounting Officer

Date: 9/12/15

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Directors (who act as Trustees of The Mill Academy charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Trustees must not approve 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the Board of Directors on 9 December 2015 and signed on its behalf by:



.....
R Ireland
Chair of Governors

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)

We have audited the financial statements of The Mill Academy (formerly The Henry Box School) for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the 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 Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the charitable 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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

UNQUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Trust's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

15 December 2015

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL) AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Mill Academy (formerly The Henry Box School) during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)'S AND THE REPORTING ACCOUNTANT

The is responsible, under the requirements of The Mill Academy (formerly The Henry Box School)'s funding agreement with the Secretary of State for Education dated 1 June 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MILL
ACADEMY (FORMERLY THE HENRY BOX SCHOOL) AND THE EDUCATION FUNDING AGENCY**
(continued)

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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

15 December 2015

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	170	1,000	-	1,170	10,027
Activities for generating funds	3	58,964	-	-	58,964	58,421
Investment income	4	1,370	-	-	1,370	6,795
Incoming resources from charitable activities	5	251,630	6,116,017	511,351	6,878,998	6,878,412
TOTAL INCOMING RESOURCES		312,134	6,117,017	511,351	6,940,502	6,953,655
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		2,190	-	-	2,190	1,683
Charitable activities	6	193,807	6,418,120	429,296	7,041,223	6,959,900
Governance costs	7	-	30,434	-	30,434	29,785
TOTAL RESOURCES EXPENDED	8	195,997	6,448,554	429,296	7,073,847	6,991,368
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		116,137	(331,537)	82,055	(133,345)	(37,713)

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	16	-	(207,692)	207,692	-	-
NET INCOME FOR THE PERIOD		116,137	(539,229)	289,747	(133,345)	(37,713)
Actuarial gains and losses on defined benefit pension schemes		-	40,000	-	40,000	(326,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		116,137	(499,229)	289,747	(93,345)	(363,713)
<i>Total funds at 1 September 2014</i>		<i>630,805</i>	<i>(1,234,501)</i>	<i>19,064,681</i>	<i>18,460,985</i>	<i>18,824,698</i>
TOTAL FUNDS AT 31 AUGUST 2015		746,942	(1,733,730)	19,354,428	18,367,640	18,460,985

All activities relate to continuing operations.

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

The notes on pages 24 to 40 form part of these financial statements.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)

(A company limited by guarantee)

REGISTERED NUMBER: 08060721

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	13		19,120,632		19,064,682
CURRENT ASSETS					
Debtors	14	210,604		143,687	
Cash at bank and in hand		1,591,998		1,395,620	
			<u>1,802,602</u>	<u>1,539,307</u>	
CREDITORS: amounts falling due within one year	15	(721,594)		(380,004)	
NET CURRENT ASSETS			<u>1,081,008</u>		<u>1,159,303</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>20,201,640</u>		<u>20,223,985</u>
Defined benefit pension scheme liability	22	(1,834,000)		(1,763,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>18,367,640</u>		<u>18,460,985</u>
FUNDS OF THE TRUST					
Restricted funds:					
Restricted funds	16	100,270		528,499	
Restricted fixed asset funds	16	19,354,428		19,064,681	
			<u>19,454,698</u>	<u>19,593,180</u>	
Restricted funds excluding pension liability					
Pension reserve		(1,834,000)		(1,763,000)	
			<u>17,620,698</u>	<u>17,830,180</u>	
Total restricted funds					
Unrestricted funds	16		746,942		630,805
TOTAL FUNDS			<u>18,367,640</u>		<u>18,460,985</u>

The financial statements were approved by the Directors, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:


.....
R Ireland
Chair of Directors

The notes on pages 24 to 40 form part of these financial statements.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015	2014
		£	£
Net cash flow from operating activities	18	680,255	147,111
Returns on investments and servicing of finance	19	1,370	6,795
Capital expenditure and financial investment	19	(485,247)	(463,614)
INCREASE/(DECREASE) IN CASH IN THE YEAR		196,378	(309,708)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015	2014
	£	£
Increase/(Decrease) in cash in the year	196,378	(309,708)
MOVEMENT IN NET FUNDS IN THE YEAR	196,378	(309,708)
Net funds at 1 September 2014	1,395,620	1,705,328
NET FUNDS AT 31 AUGUST 2015	1,591,998	1,395,620

The notes on pages 24 to 40 form part of these financial statements.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The Trust is a company limited by guarantee. The members of the company are the Directors of the company. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

1.3 Fund accounting

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

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

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

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

1.4 Incoming resources

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

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

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

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

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

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

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

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

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The Directors 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 Trust to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	2.5% Straight line
Motor vehicles	-	25% Reducing balance
Fixtures & fittings	-	20% Straight line
Computer equipment	-	33% Straight line

1.8 Operating leases

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

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

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

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Donations and other voluntary income	<u>170</u>	<u>1,000</u>	<u>1,170</u>	<u>10,027</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Lettings income	33,605	-	33,605	34,951
Other income	25,359	-	25,359	23,470
	<u>58,964</u>	<u>-</u>	<u>58,964</u>	<u>58,421</u>

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Interest income	1,370	-	1,370	6,795

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational operations (see below)	-	6,562,822	6,562,822	6,568,364
Local authority	-	64,546	64,546	26,175
Other income from educational activities	251,630	-	251,630	283,873
	<u>251,630</u>	<u>6,627,368</u>	<u>6,878,998</u>	<u>6,878,412</u>

FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,051,471	6,051,471	6,402,634
Capital grants	-	511,351	511,351	165,730
	<u>-</u>	<u>6,562,822</u>	<u>6,562,822</u>	<u>6,568,364</u>

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

6. CHARITABLE ACTIVITIES

	Total funds 2015 £	<i>Total funds 2014 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	3,948,558	3,821,232
National insurance	287,693	279,559
Pension cost	595,418	562,145
Net FRS17 pension scheme finance cost	23,516	30,386
Technology	34,607	48,770
Educational supplies	78,071	86,623
Examination fees	121,288	101,363
Staff development	17,606	19,923
Educational consultancy	24,510	25,548
Other direct costs	266,843	285,937
	<hr/> 5,398,110 <hr/>	<hr/> 5,261,486 <hr/>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	357,954	391,440
National insurance	17,570	19,150
Pension cost	114,006	87,031
Depreciation	429,296	406,877
Net FRS17 pension scheme finance cost	18,484	20,614
Technology costs	64,394	61,563
Recruitment and support	4,901	19,667
Maintenance of premises	69,203	117,424
Maintenance of equipment	24,367	26,613
Cleaning	20,355	25,113
Rent and rates	59,456	62,294
Energy	117,377	129,073
Insurance	54,904	64,322
Security	949	110
Transport	22,378	16,581
Catering	31,126	37,605
Bank interest and charges	507	537
Travel and subsistence	4,938	5,267
Other support costs	230,948	207,133
	<hr/> 1,643,113 <hr/>	<hr/> 1,698,414 <hr/>
	<hr/> 7,041,223 <hr/>	<hr/> 6,959,900 <hr/>

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	7,150	7,150	6,900
Auditors' remuneration - non-audit services	-	3,950	3,950	6,152
Legal and professional fees	-	1,292	1,292	913
Wages and salaries	-	15,038	15,038	13,081
National insurance	-	654	654	478
Pension cost	-	2,350	2,350	2,261
	<u>-</u>	<u>30,434</u>	<u>30,434</u>	<u>29,785</u>

8. RESOURCES EXPENDED

	Staff costs 2015 £	Non-Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Fundraising expenses	1,817	-	373	2,190	1,683
Costs of generating funds	<u>1,817</u>	<u>-</u>	<u>373</u>	<u>2,190</u>	<u>1,683</u>
Direct costs	4,831,669	-	566,441	5,398,110	5,312,386
Support costs	489,530	578,310	575,273	1,643,113	1,647,514
Charitable activities	<u>5,321,199</u>	<u>578,310</u>	<u>1,141,714</u>	<u>7,041,223</u>	<u>6,959,900</u>
Governance	<u>18,042</u>	<u>-</u>	<u>12,392</u>	<u>30,434</u>	<u>29,785</u>
	<u>5,341,058</u>	<u>578,310</u>	<u>1,154,479</u>	<u>7,073,847</u>	<u>6,991,368</u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	429,297	406,877
Auditors' remuneration	7,150	6,900
Auditors' remuneration - non-audit services	3,950	6,152
Operating leases	28,101	19,670
	<u>468,497</u>	<u>441,699</u>

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	4,323,035	4,227,024
Social security costs	305,993	299,187
Other pension costs (Note 22)	712,030	651,437
	<u>5,341,058</u>	<u>5,177,648</u>
Staff restructuring costs	43,862	-
	<u><u>5,384,920</u></u>	<u><u>5,177,648</u></u>

b. Staff severance payments

Included in staff restructuring costs are non-statutory payments totalling £43,862 (2014: £nil).

c. Staff numbers

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

	2015 No.	2014 No.
Teachers	79	79
Administration and support	52	53
Management	7	7
	<u>138</u>	<u>139</u>

d. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	1
	<u><u>1</u></u>	<u><u>1</u></u>

The above employees all participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff members amounted to £20,298 (2014: £29,692).

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

11. DIRECTORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Directors (2014 - 4) in respect of defined benefit pension schemes.

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

	2015	2014
	£	£
W Hemmingsley, Headteacher and Accounting Officer		
Remuneration	75,000-80,000	<i>75,000-80,000</i>
Employer's pension contributions	10,000-15,000	<i>10,000-15,000</i>
C Hardie, Staff Director		
Remuneration	40,000-45,000	<i>40,000-45,000</i>
Employer's pension contributions	5,000-10,000	<i>5,000-10,000</i>
S Hunt, Staff Director		
Remuneration	25,000-30,000	<i>25,000-30,000</i>
Employer's pension contributions	0-5,000	<i>0-5,000</i>
Z Lanczak, Staff Director		
Remuneration	45,000-50,000	<i>45,000-50,000</i>
Employer's pension contributions	5,000-10,000	<i>5,000-10,000</i>

During the year, no Directors received any reimbursement of expenses (2014 - £NIL).

Other related party transactions involving the Directors are set out in note 23.

12. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,489 (2014 - £1,298). The cost of this insurance is included in the total insurance cost.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

13. TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	19,566,854	12,175	41,854	311,615	19,932,498
Additions	332,059	-	20,597	132,591	485,247
At 31 August 2015	<u>19,898,913</u>	<u>12,175</u>	<u>62,451</u>	<u>444,206</u>	<u>20,417,745</u>
Depreciation					
At 1 September 2014	718,592	2,663	7,726	138,835	867,816
Charge for the year	327,208	1,522	10,463	90,104	429,297
At 31 August 2015	<u>1,045,800</u>	<u>4,185</u>	<u>18,189</u>	<u>228,939</u>	<u>1,297,113</u>
Net book value					
At 31 August 2015	<u>18,853,113</u>	<u>7,990</u>	<u>44,262</u>	<u>215,267</u>	<u>19,120,632</u>
At 31 August 2014	<u>18,848,262</u>	<u>9,512</u>	<u>34,128</u>	<u>172,780</u>	<u>19,064,682</u>

The Trust took out a 125 year lease over the land and buildings transferred from Oxfordshire County Council at the original date of conversion to a standalone academy in 2012. In addition, the lease that already existed between between Oxfordshire County Council and the Witney Educational Foundation was assigned to The Trust on the date of conversion. The land and buildings transferred and assigned at conversion have been valued at an estimate of their fair value at conversion. In determining this value, the Directors have referred to the desktop valuation of the land and buildings commissioned by the EFA as at 31 March 2013.

This desktop valuation was undertaken by Mouchel and was carried out on a depreciated replacement cost basis. Included in the value of land and buildings is land at a value of £6,483,000 which is not depreciated.

14. DEBTORS

	2015 £	2014 £
Trade debtors	63,901	8,937
Other debtors	71,595	65,435
Prepayments and accrued income	75,108	69,315
	<u>210,604</u>	<u>143,687</u>

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

15. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	329,571	119,244
Other taxation and social security	101,508	89,393
Other creditors	129,208	87,400
Accruals and deferred income	161,307	83,967
	721,594	380,004
	721,594	380,004
Deferred income		
		£
Deferred income at 1 September 2014		39,985
Resources deferred during the year		36,535
Amounts released from previous years		(39,985)
		36,535
Deferred income at 31 August 2015		36,535

At the balance sheet date the Trust was holding funds received in advance for trips amounting to £31,535 (2014: £39,985) booked for the year ending 31 August 2016.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	630,805	312,134	(195,997)	-	-	746,942
Restricted funds						
General Annual Grant (GAG)	526,499	6,051,471	(6,274,701)	(207,692)	-	95,577
Local authority	-	64,546	(62,853)	-	-	1,693
Donations	2,000	1,000	-	-	-	3,000
Pension reserve	(1,763,000)	-	(111,000)	-	40,000	(1,834,000)
	<u>(1,234,501)</u>	<u>6,117,017</u>	<u>(6,448,554)</u>	<u>(207,692)</u>	<u>40,000</u>	<u>(1,733,730)</u>
Restricted fixed asset funds						
Other capital grants	238,861	-	(4,007)	(191,668)	-	43,186
DfE/EFA capital grants	174,801	511,351	(53,143)	406,553	-	1,039,562
Capital from GAG and other funds	153,101	-	(52,557)	-	-	100,544
Assets transferred on conversion	18,490,725	-	(319,589)	-	-	18,171,136
Voluntary income	7,193	-	-	(7,193)	-	-
	<u>19,064,681</u>	<u>511,351</u>	<u>(429,296)</u>	<u>207,692</u>	<u>-</u>	<u>19,354,428</u>
Total restricted funds	<u>17,830,180</u>	<u>6,628,368</u>	<u>(6,877,850)</u>	<u>-</u>	<u>40,000</u>	<u>17,620,698</u>
Total of funds	<u><u>18,460,985</u></u>	<u><u>6,940,502</u></u>	<u><u>(7,073,847)</u></u>	<u><u>-</u></u>	<u><u>40,000</u></u>	<u><u>18,367,640</u></u>

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

Restricted funds

The General Annual Grant (GAG) represents funding received from the Education Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Local Authority grants represent money given to the Trust, including the High Needs grant and income for children who are hard to place ie. children who would otherwise be likely to be refused admission to a suitable school and National recruitment incentives payable to qualifying staff members.

The pension reserve represents the Local Government Pension Scheme deficit.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

16. STATEMENT OF FUNDS (continued)

Fixed asset funds

Other capital grants represents funds given to the Trust through donations for specific capital purposes which were unspent at 31 August 2015.

Fixed assets transferred on conversion represent the land and buildings and equipment donated to the school from Oxfordshire County Council on conversion to an academy.

Fixed assets purchases from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA.

DfE/EFA Capital grants included devolved capital funding and amounts received from the Academies Capital Maintenance Fund.

As at 31 August 2015, £233,796 of unspent capital grants were carried forward to be utilised on ongoing projects during the year ending 31 August 2016.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	630,805	312,134	(195,997)	-	-	746,942
Restricted funds	(1,234,501)	6,117,017	(6,448,554)	(207,692)	40,000	(1,733,730)
Restricted fixed asset funds	19,064,681	511,351	(429,296)	207,692	-	19,354,428
	<u>18,460,985</u>	<u>6,940,502</u>	<u>(7,073,847)</u>	<u>-</u>	<u>40,000</u>	<u>18,367,640</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	19,120,632	19,120,632	19,064,681
Current assets	1,468,536	100,270	233,796	1,802,602	1,539,308
Creditors due within one year	(721,594)	-	-	(721,594)	(380,004)
Pension scheme liability	-	(1,834,000)	-	(1,834,000)	(1,763,000)
	<u>746,942</u>	<u>(1,733,730)</u>	<u>19,354,428</u>	<u>18,367,640</u>	<u>18,460,985</u>

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(133,345)	(37,713)
Returns on investments and servicing of finance	(1,370)	(6,795)
Depreciation of tangible fixed assets	429,297	-
(Increase)/decrease in debtors	(66,918)	146,873
Increase/(decrease) in creditors	341,591	(48,254)
Net FRS17 pension scheme finance costs	111,000	93,000
	680,255	147,111
Net cash inflow from operations	680,255	147,111

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

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	1,370	6,795
	1,370	6,795
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(485,247)	(463,614)
	(485,247)	(463,614)

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,395,620	196,378	-	1,591,998
Net funds	1,395,620	196,378	-	1,591,998

21. CAPITAL COMMITMENTS

At 31 August 2015 the Trust had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	288,248	-
	288,248	-

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 (currently 14.1%);
- 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%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £745,552 (2014: £828,191).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

22. PENSION COMMITMENTS (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £249,347, of which employer's contributions totalled £188,109 and employees' contributions totalled £61,238. The agreed contribution rates for future years are 19.3% for employers and 5.5-7.5% for employees.

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

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,414,000)	(3,047,000)
Fair value of scheme assets	1,580,000	1,284,000
	<hr/>	<hr/>
Net liability	(1,834,000)	(1,763,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2015 £	2014 £
Current service cost	(263,000)	(214,000)
Interest on obligation	(125,000)	(116,000)
Expected return on scheme assets	83,000	65,000
	<hr/>	<hr/>
Total	(305,000)	(265,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	(47,000)	(115,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2015 £	2014 £
Opening defined benefit obligation	3,047,000	2,324,000
Current service cost	263,000	214,000
Interest cost	125,000	116,000
Contributions by scheme participants	60,000	53,000
Actuarial (gains)/losses	(76,000)	360,000
Benefits paid	(5,000)	(20,000)
	<hr/>	<hr/>
Closing defined benefit obligation	3,414,000	3,047,000
	<hr/> <hr/>	<hr/> <hr/>

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

22. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	1,284,000	980,000
Expected return on assets	83,000	65,000
Actuarial gains and (losses)	(36,000)	34,000
Contributions by employer	194,000	172,000
Contributions by employees	60,000	53,000
Benefits paid	(5,000)	(20,000)
	<u>1,580,000</u>	<u>1,284,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £40,000 gain (2014 - £326,000 loss).

The Trust expects to contribute £193,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	66.00 %	71.00 %
Glits	12.00 %	10.00 %
Other bonds	3.00 %	6.00 %
Property	7.00 %	6.00 %
Cash	3.00 %	5.00 %
LLPs	4.00 %	- %
Hedge Funds	- %	2.00 %
Diversified Growth Fund	5.00 %	- %

Principal actuarial assumptions at the Balance sheet date:

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Rate of increase in salaries	4.40 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.60 %
Inflation assumption (RPI)	3.50 %	3.40 %

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

	2015	2014
Retiring today		
Males	23.3	23.2
Females	25.7	25.5
Retiring in 20 years		
Males	25.5	25.4
Females	28.0	27.9

THE MILL ACADEMY (FORMERLY THE HENRY BOX SCHOOL)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015
	£
Defined benefit obligation	(3,414,000)
Scheme assets	1,580,000
Deficit	(1,834,000)
Experience adjustments on scheme assets	(36,000)

23. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Trust had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Expiry date:		
Within 1 year	8,134	-
Between 2 and 5 years	12,325	28,101

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the 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 a directors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period.

25. CONTROLLING PARTY

The ultimate controlling party is the Board of Governors as detailed on page 1 of the financial statements.

26. CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure in the financial statements.

27. POST BALANCE SHEET EVENTS

On 1 October 2015 The Henry Box School charitable company changed from a stand-alone academy trust into a multi-academy trust, The Mill Academy. At that point, Queen Emma's Primary School, Witney and Finstock Church of England Primary School converted to academies and joined the multi-academy trust.