

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees

T Wilson, Chair²
K Pyman, Headteacher^{1,2}
C Davison^{1,2}
L Dawson^{1,2}
A Evans²
J Gallagher (resigned 22 January 2015)²
L Leonard¹
C Mills²
T Swinyard¹
K Sylvester²
S Thorn¹
M Watson¹

Members

C Davison
A Evans
T Wilson

1 Finance and Staffing Committee
2 Curriculum and Standards Committee

**Company registered
number**

08713217

**Principal and registered
office**

Worsley Road
Freshbrook
Swindon
Wiltshire
SN5 8NU

Accounting officer

K Pyman

Senior Leadership Team

K Williams, Deputy Headteacher
H Tucker, Leader of Teaching & Learning
K Monks, Curriculum Leader
K Pyman, Headteacher
D McDonald, KS2 Leader
A Stone, EYFS Leader
H Thompson, SENCO

Independent auditors

Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Bankers

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 in the Freshbrook area of West Swindon. It has a pupil capacity of 315 and had a roll of 318 in the school census on 15 January 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Millbrook Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Millbrook Primary School.

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

Members' liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2,000,000.

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1 November 2013 the Trustees appointed all those Trustees that served the predecessor school, who wished to transfer, to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Headteacher, 3 Parent Trustees, up to 3 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 5 other Trustees.

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

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 3 Trustees who are appointed by the Trust (the members);
- up to 3 Parent Trustees who are elected by Parents of registered pupils at the Academy;
- up to 2 staff (one teaching and one non teaching) Trustees appointed by the Trustee board;
- up to 1 staff Trustee to represent the SRP appointment by the Trustee board;
- up to 7 Link Academy Collaborative Trust Trustees who are appointed by the Umbrella LACT; and
- the Headteacher who is treated for all purposes as being an ex officio Governor.

Trustees 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 Trustee, any Trustee can be re-appointed or re-elected.

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

Policies and Procedures adopted for the Induction and Training of Trustees

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

Organisational Structure

The Board of Trustees normally meets once each term (6 times a year). The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees 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 may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 6 committees as follows;

- Finance and Staffing Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee;
- Curriculum and Standards Committee - this meets at least 4 times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues;
- Admissions Committee which meets when necessary to deal with all matters relating to admissions;
- Pay Panel - which meets at least twice a year to review and ratify Performance Related Pay recommendations following Staff Appraisals;
- Exclusions Panel; and
- Appeal Panel.

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

The following decisions are reserved to the Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure;
- to appoint or remove the Chairman and/or Vice Chairman;
- to appoint the Headteacher and Clerk to the Trustees;
- to approve policies, the Annual School Development Plan and budget;
- to monitor performance of staff and progress of pupils; and
- to ensure legal compliance of the Academy.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Key Stage leader, SENCo and Bursar. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

Connected Organisations, including Related Party Relationships

The Academy is one of four primary schools connected to the Link Academies Collaborative Trust (LACT). This is an Umbrella Trust established on 1 November 2013 to raise pupil attainment and encourage collaborative working across the four independent academies. There is a legally binding Memorandum of Agreement in place that outlines how the LACT operates.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on inclusion.

The principal object and activity of the Charitable Company is the operation of Millbrook Primary School to provide free education and care for pupils of different abilities. The Academy incorporates a Specialist Resource Provision for pupils with complex special educational needs, a pre-school provision and the Educational Support Service for SpLD/Dyslexia in Swindon.

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

The aims of the Academy during the period ended 31 August 2015 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to maximise the number of students who are 'secondary ready'.
- to provide value for money for the funds expended.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with the local community.
- to develop the Academy's capacity to manage change; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Millbrook Primary School we aim for every child to achieve excellence and fulfil their potential. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment whilst 'Making People Feel Good'.

Objectives, Strategies and Activities

Key priorities for the year are contained in our School Development Plan which is available from the School Office. Improvement focuses identified for this year include:

- To increase the proportion of consistently good or better teaching.
- To improve progress and attainment in Literacy.
- To instill a 'Can do' attitude into the pupils at Millbrook, improving perseverance and increasing resilience.
- To increase the experiences that children have, giving them the inspiration and motivation to write and succeed in the future.
- To strengthen leadership at all levels.

Key activities and targets were identified in the School Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

As an Academy, we are part of the Link Academies Collaborative Trust and have an agreement to work with Peatmoor Primary School, Shaw Ridge Primary School and Westlea Primary School.

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

STRATEGIC REPORT

Achievements and Performance

The Academy is in the second period of operation and has exceeded the forecast number of students. The Academy is full in most year groups and has a waiting list in operation.

At Year 1, the cohort made good progress and achieved well in the Phonics Assessment. A challenging year 2 group made good progress, although the results in the Y2 SAT tests were lower than the previous year. This reflects the high level of need in the year group. Children in year 6 also had an above average level of High Needs, but despite this they managed to perform significantly above the targets set for them. This demonstrates the excellent teaching of the staff at Millbrook Primary School.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Senior Leadership Team.

The school was inspected by Ofsted in June 2015 and was rated as Good overall, with Outstanding Early Years provision.

The Academy has continued to strengthen close links with Peatmoor Community Primary School, Shaw Ridge Primary School and Westlea Primary School. The four Academies are embarking on mutual staff development, with the primary aim of driving up standards.

Millbrook KS2 SATs	Subject	2014 Percentage	2015 Percentage
% of pupils Level 4+	Reading	95%	93%
	Writing	92%	95%
	SPAG	82%	91%
	Maths	92%	98%
	Combined	89%	91%
% of pupils Level 5+	Reading	55%	48%
	Writing	24%	20%
	SPAG	53%	52%
	Maths	53%	50%
	Combined	18%	20%
% of pupils Level 6+	Reading	3%	0%
	Writing	0%	0%
	SPAG	3%	0%
	Maths	5%	7%
% of pupils making Expected progress (2 levels)	Reading	97%	98%
	Writing	100%	100%
	Maths	100%	100%
% of pupils making better than Expected progress (More than 2 levels)	Reading	55%	41%
	Writing	39%	20%
	Maths	58%	52%

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG). In period under review, £11,487 was carried forward representing <1 % of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2015 were 318. It is anticipated that this number will continue to be stable.

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

The following KPI's were set at the start of the year:

	Actual	Target
Student attendance %	95.5%	95.33%
Exam success	Combined Reading/Writing/ Maths at Level 4 - 91% +	Combined Reading/Writing/ Maths at Level 4 - 65% +

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the 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 are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the period ended 31 August 2015, total expenditure of £1,880,739 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,860,417 (excluding fixed asset funds and pension reserve). The excess of income over expenditure for the year was (£20,322).

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately £120,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent repairs.

The school owes £43,885 to the Local Authority for liability under the Equal Pay Act, which resulted in a number of claims against the school/LA. This is repayable over a remaining term of 17 years at an interest rate of 4.93%.

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

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income.

Investment Policy

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Headteacher and Bursar within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 90% of the Academy's incoming resources were 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 potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees 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 Academy is reliant upon the quality of its staff and so the Trustees 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 Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools in the LACT to improve the educational opportunities for students in the wider community.

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Full details of our plans for the future are given in our School Development Plan, which is available on our website or from the School Office.

We plan to maintain small class sizes, where possible, with a teaching assistant in each class which will reflect in academic outcomes being improved.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 8 December 2015 and signed on the board's behalf by:

**T Wilson
Chair of Trustees**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
T Wilson, Chair	6	6
K Pyman, Headteacher	6	6
C Davison	6	6
L Dawson	5	6
A Evans	6	6
J Gallagher	2	2
L Leonard	4	6
C Mills	4	6
T Swinyard	5	6
K Sylvester	4	6
S Thorn	4	6
M Watson	5	6

The Finance and Staffing Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from Financial Service 4 Schools and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Pyman	6	6
C Davison	6	6
L Leonard	6	6
T Swinyard	4	6
M Watson	6	6
L Dawson	5	6
S Thorn	3	6

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Moving the Academy's Ofsted rating from Satisfactory to Good with Outstanding Early Years Foundation Stage;
- Improving percentage of good teaching and learning throughout the school from 71% to 83%;
- Continued to improve the learning environment of the school e.g. introducing an ICT suite to teach the new computing curriculum more effectively;
- Increased the outdoor learning opportunities for pupils with SEN by constructing an area that can be used in all weathers; and
- Increasing opportunities for disadvantaged pupils by leasing a minibus to provide transport offsite activities.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Millbrook Primary School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2014 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 Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Staffing 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; and
- identification and management of risks.

**MILLBROOK PRIMARY SCHOOL
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GOVERNANCE STATEMENT (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Financial Services 4 Schools Ltd, to perform additional checks.

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

- Payroll
- Purchases
- Income
- Accounting System
- Balance Sheet
- Reports

On a semi-annual basis, the reviewer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. There were no areas of concern identified by the reports submitted in the year.

REVIEW OF EFFECTIVENESS

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

- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 8 December 2015 and signed on its behalf, by:

T Wilson
Chair of Trustees

K Pyman
Accounting Officer

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

**K Pyman
Accounting Officer**

Date: 8 December 2015

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

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

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

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

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

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

**T Wilson
Chair of Trustees**

Date: 8 December 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILLBROOK PRIMARY SCHOOL

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILLBROOK PRIMARY SCHOOL

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MILLBROOK
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 03 June 2014 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 Millbrook Primary 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 Millbrook Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Millbrook Primary 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 Millbrook Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF MILLBROOK PRIMARY SCHOOL'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Millbrook Primary School's funding agreement with the Secretary of State for Education dated 19 December 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 Academy 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.

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MILLBROOK
PRIMARY 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.

Simon Morrison FCA (Reporting Accountant)

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

**MILLBROOK PRIMARY 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:						
Transfer from Local Authority on conversion	2	-	-	-	-	3,055,762
Other voluntary income	2	3,488	9,652	-	13,140	26,616
Activities for generating funds	3	4,696	-	-	4,696	2,996
Investment income	4	147	-	-	147	112
Incoming resources from charitable activities		60,881	1,781,553	-	1,842,434	1,513,004
TOTAL INCOMING RESOURCES		69,212	1,791,205	-	1,860,417	4,598,490
RESOURCES EXPENDED						
Charitable activities		45,462	1,824,621	78,714	1,948,797	1,553,103
Governance costs	9	-	10,656	-	10,656	7,395
	6	45,462	1,835,277	78,714	1,959,453	1,560,498
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		23,750	(44,072)	(78,714)	(99,036)	3,037,992
Actuarial gains and losses on defined benefit pension schemes		-	(33,000)	-	(33,000)	(97,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		23,750	(77,072)	(78,714)	(132,036)	2,940,992
Total funds at 1 September 2014		121,274	(394,326)	3,214,044	2,940,992	-
TOTAL FUNDS AT 31 AUGUST 2015		145,024	(471,398)	3,135,330	2,808,956	2,940,992

All activities relate to continuing operations. The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 41 form part of these financial statements.

MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08713217

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		3,273,309		3,334,911
CURRENT ASSETS					
Debtors	15	52,952		74,507	
Cash at bank and in hand		40,610		85,677	
			<u>93,562</u>	<u>160,184</u>	
CREDITORS: amounts falling due within one year	16	(76,860)		(121,218)	
NET CURRENT ASSETS			<u>16,702</u>		<u>38,966</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,290,011</u>		<u>3,373,877</u>
CREDITORS: amounts falling due after more than one year	17		(42,055)		(43,885)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>3,247,956</u>		<u>3,329,992</u>
Defined benefit pension scheme liability	24		(439,000)		(389,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>2,808,956</u>		<u>2,940,992</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	18	(32,398)		(5,326)	
Fixed asset funds	18	3,135,330		3,214,044	
			<u>3,102,932</u>	<u>3,208,718</u>	
Restricted funds excluding pension liability					
Pension reserve		(439,000)		(389,000)	
			<u>2,663,932</u>	<u>2,819,718</u>	
Total restricted funds			<u>2,663,932</u>		<u>2,819,718</u>
Unrestricted funds	18		145,024		121,274
TOTAL FUNDS			<u>2,808,956</u>		<u>2,940,992</u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2015 and are signed on their behalf, by:

T Wilson
Chair of Trustees

The notes on pages 22 to 41 form part of these financial statements.

**MILLBROOK PRIMARY 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	20	(25,546)	99,040
Returns on investments and servicing of finance	21	147	112
Capital expenditure and financial investment	21	(18,957)	(123,396)
Cash transferred on conversion to an academy trust		-	109,921
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(44,356)	85,677
Financing	21	(711)	-
(DECREASE)/INCREASE IN CASH IN THE YEAR		(45,067)	85,677

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(45,067)	85,677
Cash outflow from decrease in debt and lease financing	711	-
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(44,356)	85,677
Non-cash increase in equal pay loan	-	(44,596)
MOVEMENT IN NET FUNDS/(DEBT) IN THE YEAR	(44,356)	41,081
Net funds at 1 September	41,081	-
NET FUNDS AT 31 AUGUST	(3,275)	41,081

The notes on pages 22 to 41 form part of these financial statements.

**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 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The trustees conclude that it is appropriate to prepare accounts on the going concern basis for the period ended 31 August 2015.

1.3 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

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

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

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

1.5 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.

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 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 academy's depreciation policy.

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

Long term leasehold property	-	50 years reducing balance
Long term leasehold land	-	125 years straight line
Fixtures and fittings	-	5-10 years straight line
Computer equipment	-	3 years straight line

1. ACCOUNTING POLICIES (continued)

1.7 OPERATING LEASES

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

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

1.8 TAXATION

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

1.9 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS") and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfer from Local Authority on conversion	-	-	-	3,055,762
Donations	<u>3,488</u>	<u>9,652</u>	<u>13,140</u>	<u>26,616</u>
Voluntary income	<u><u>3,488</u></u>	<u><u>9,652</u></u>	<u><u>13,140</u></u>	<u><u>3,082,378</u></u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings	<u>4,696</u>	<u>-</u>	<u>4,696</u>	<u>2,996</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	<u>147</u>	<u>-</u>	<u>147</u>	<u>112</u>

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Education	60,881	1,674,673	1,735,554	1,423,047
Pre-school income	-	106,880	106,880	89,957
	<u>60,881</u>	<u>1,781,553</u>	<u>1,842,434</u>	<u>1,513,004</u>

MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
General Annual Grant	-	1,289,496	1,289,496	1,062,656
Start up Grants	-	-	-	25,000
Other DfE/EFA grants	-	175,390	175,390	108,456
	<u>-</u>	<u>1,464,886</u>	<u>1,464,886</u>	<u>1,196,112</u>
Other Government grants				
High needs income	-	133,887	133,887	117,936
Dyslexia funding	-	66,900	66,900	51,665
Other	-	9,000	9,000	6,536
	<u>-</u>	<u>209,787</u>	<u>209,787</u>	<u>176,137</u>
Other funding				
Internal catering income	21,888	-	21,888	23,477
Dyslexia course income	12,707	-	12,707	8,587
Hub income	16,130	-	16,130	11,582
Pre school income	3,633	-	3,633	5,334
Sales to students	2,333	-	2,333	693
Other	4,190	-	4,190	1,125
	<u>60,881</u>	<u>-</u>	<u>60,881</u>	<u>50,798</u>
	<u>60,881</u>	<u>1,674,673</u>	<u>1,735,554</u>	<u>1,423,047</u>

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other 2015 £	Total 2015 £	Total 2014 £
Direct costs	1,301,372	64,495	156,690	1,522,557	1,179,810
Support costs	217,396	75,168	133,676	426,240	373,293
CHARITABLE ACTIVITIES	<u>1,518,768</u>	<u>139,663</u>	<u>290,366</u>	<u>1,948,797</u>	<u>1,553,103</u>
GOVERNANCE	<u>2,761</u>	<u>-</u>	<u>7,895</u>	<u>10,656</u>	<u>7,395</u>
	<u>1,521,529</u>	<u>139,663</u>	<u>298,261</u>	<u>1,959,453</u>	<u>1,560,498</u>

MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

7. DIRECT COSTS

	Total 2015 £	Total 2014 £
Pension finance costs	-	2,000
Educational supplies	66,644	44,075
Staff development	18,136	5,983
Other costs	2,653	1,677
Supply teachers	13,927	16,422
School trip expenditure	15,739	19,063
Supply insurance premium	16,096	12,392
Wages and salaries	1,065,913	833,106
National insurance	64,955	49,935
Pension cost	170,504	127,033
Depreciation	87,990	68,124
	1,522,557	1,179,810

8. SUPPORT COSTS

	Total 2015 £	Total 2014 £
Other costs	18,942	15,962
Recruitment and support	752	250
Maintenance of premises and equipment	21,746	17,723
Cleaning	5,379	4,351
Rent and rates	12,552	15,932
Energy costs	20,630	23,848
Insurance	13,685	13,434
Security and transport	2,139	1,177
Catering	33,515	17,187
Technology costs	8,108	-
Office overheads	7,064	4,891
Legal and professional	64,300	70,941
Bank interest and charges	32	-
Wages and salaries	175,400	160,954
National insurance	7,568	6,270
Pension cost	34,428	20,373
	426,240	373,293

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

9. GOVERNANCE COSTS

	Total 2015 £	Total funds 2014 £
Auditors' remuneration	4,650	4,250
Auditors' non audit costs	1,685	1,750
Legal and Professional	1,560	-
Wages and salaries	2,274	1,149
Pension costs	487	246
	<u>10,656</u>	<u>7,395</u>

10. NET INCOMING/(OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	87,990	68,124
Auditors' remuneration	4,650	4,250
Auditors' remuneration - non-audit	1,685	1,750
Operating lease rentals	3,611	5,630
	<u>98,936</u>	<u>83,754</u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,229,660	978,787
Social security costs	72,523	56,205
Other pension costs (Note 24)	205,419	147,652
	<u>1,507,602</u>	<u>1,182,644</u>
Supply teacher costs	13,927	16,422
	<u>1,521,529</u>	<u>1,199,066</u>

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

11. STAFF (continued)

b. Staff numbers

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

	2015	2014
	No.	No.
Teachers	12	14
Admin and support including teaching assistants	30	27
Management	2	2
	<hr/> 44 <hr/>	<hr/> 43 <hr/>

c. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	1	0
	<hr/> 1 <hr/>	<hr/> 0 <hr/>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for this member of staff amounted to £8,830.

**MILLBROOK PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

12. TRUSTEES' REMUNERATION AND EXPENSES

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

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: K Pyman: remuneration £60,000 - £65,000 (2014: £55,000 - £60,000), employer's pension contributions: £5,000 - £10,000 (2014: £5,000 - £10,000); S Thorn: remuneration £15,000 - £20,000 (2014: £20,000 - £25,000), employer's pension contributions £0 - £5,000 (2014: £0 - £5,000); M Watson: remuneration £20,000 - £25,000 (2014: £20,000 - £25,000), employer's pension contributions £0 - £5,000 (2014: £0 - £5,000); K Sylvester: remuneration £20,000 - £25,000 (2014: £20,000 - £25,000), employer's pension contributions £0 - £5,000 (2014: £0 - £5,000).

During the year, expenses totalling £1,202 (2014: £1,485) were reimbursed to trustees.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £260 (2014: £260). The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Fixtures and Fittings £	Computer Equipment £	Total £
COST				
At 1 September 2014	3,339,715	34,986	28,334	3,403,035
Additions	5,664	7,058	13,666	26,388
At 31 August 2015	<u>3,345,379</u>	<u>42,044</u>	<u>42,000</u>	<u>3,429,423</u>
DEPRECIATION				
At 1 September 2014	52,707	5,828	9,589	68,124
Charge for the year	64,555	9,529	13,906	87,990
At 31 August 2015	<u>117,262</u>	<u>15,357</u>	<u>23,495</u>	<u>156,114</u>
NET BOOK VALUE				
At 31 August 2015	<u>3,228,117</u>	<u>26,687</u>	<u>18,505</u>	<u>3,273,309</u>
At 31 August 2014	<u>3,287,008</u>	<u>29,158</u>	<u>18,745</u>	<u>3,334,911</u>

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

15. DEBTORS

	2015	2014
	£	£
VAT recoverable	-	32,886
Other debtors	1,838	-
Prepayments and accrued income	51,114	41,621
	<u>52,952</u>	<u>74,507</u>

**16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Other loans	1,830	711
Trade creditors	-	15,956
Other taxation and social security	24,281	21,441
Other creditors	11,099	24,766
Accruals and deferred income	39,650	58,344
	<u>76,860</u>	<u>121,218</u>

DEFERRED INCOME

Deferred income at 1 September 2014	30,193
Resources deferred during the year	29,283
Amounts released from previous years	(30,193)
Deferred income at 31 August 2015	<u>29,283</u>

Deferred income at 31 August 2015 relates to income received for Universal Infant Free School Meals and Dyslexia funding received from Swindon Borough Council, both of which relate to the 2015/16 academic year.

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**17. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015	2014
	£	£
Other loans	42,055	43,885

Included within the above are amounts falling due as follows:

	2015	2014
	£	£
BETWEEN ONE AND TWO YEARS		
Other loans	1,921	2,231
BETWEEN TWO AND FIVE YEARS		
Other loans	6,662	6,113
OVER FIVE YEARS		
Other loans	33,472	35,541

Creditors include amounts not wholly repayable within 5 years as follows:

	2015	2014
	£	£
Repayable by instalments	33,472	35,541

The Equal pay loan relates to amounts due to Swindon Unitary Authority in respect of equal pay claims which arose both prior to, and since, conversion to an Academy. The total amount due is unsecured and repayable in annual instalments over 16 years. Interest is being charged at a rate of 4.93% per annum. The total amount outstanding at the year end was £43,885 (2014: £44,596).

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	121,274	69,212	(45,462)	-	-	145,024

The Trustees have taken the decision to finance the purchase of certain fixed asset additions in the period from unrestricted reserves.

RESTRICTED FUNDS

General Annual Grant (GAG)	39,270	1,289,496	(1,316,568)	(711)	-	11,487
Other DfE/EFA grants	-	175,390	(175,390)	-	-	-
High needs income	-	133,887	(133,887)	-	-	-
Donations	-	9,652	(9,652)	-	-	-
Dyslexia funding	-	66,900	(66,900)	-	-	-
Nursery funding	-	106,880	(106,880)	-	-	-
Other LA income	-	9,000	(9,000)	-	-	-
Equal pay loan	(44,596)	-	-	711	-	(43,885)
Pension reserve	(389,000)	-	(17,000)	-	(33,000)	(439,000)
	<u>(394,326)</u>	<u>1,791,205</u>	<u>(1,835,277)</u>	<u>-</u>	<u>(33,000)</u>	<u>(471,398)</u>

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	3,214,044	-	(78,714)	-	-	3,135,330
Total restricted funds	<u>2,819,718</u>	<u>1,791,205</u>	<u>(1,913,991)</u>	<u>-</u>	<u>(33,000)</u>	<u>2,663,932</u>
Total of funds	<u><u>2,940,992</u></u>	<u><u>1,860,417</u></u>	<u><u>(1,959,453)</u></u>	<u><u>-</u></u>	<u><u>(33,000)</u></u>	<u><u>2,808,956</u></u>

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

18. STATEMENT OF FUNDS (continued)

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 Educational Funding Agency (EFA) which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs funding is received from the Local Authority to fund provision for students with additional learning needs in a specialised resource provision.

Other DfE/EFA grants mainly relates to Pupil Premium funding which represents amounts received from the EFA to cater for disadvantaged pupils.

Other LA income mainly relates to a PE Grant which represents funding from the Swindon Borough Council and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Donations represent money received from parents for educational visits and extra-curriculum activities.

The Equal Pay Loan is amounts due to Swindon Unitary Authority and arose to fund the salaries paid to certain employees following disputes on equal pay.

The pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from Swindon Unitary Authority on conversion to an academy.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/(Losses) £	Carried Forward £
General funds	121,274	69,212	(45,462)	-	-	145,024
Restricted funds	(394,326)	1,791,205	(1,835,277)	-	(33,000)	(471,398)
Restricted fixed asset funds	3,214,044	-	(78,714)	-	-	3,135,330
	<u>2,940,992</u>	<u>1,860,417</u>	<u>(1,959,453)</u>	<u>-</u>	<u>(33,000)</u>	<u>2,808,956</u>

19. 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	137,979	-	3,135,330	3,273,309	3,334,911
Current assets	7,045	86,517	-	93,562	160,184
Creditors due within one year	-	(76,860)	-	(76,860)	(121,218)
Creditors due in more than one year	-	(42,055)	-	(42,055)	(43,885)
Pension scheme liability	-	(439,000)	-	(439,000)	(389,000)
	<u>145,024</u>	<u>(471,398)</u>	<u>3,135,330</u>	<u>2,808,956</u>	<u>2,940,992</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(99,036)	3,037,992
Returns on investments and servicing of finance	(147)	(112)
Net assets transferred on conversion	-	(3,055,763)
Depreciation of tangible fixed assets	87,990	68,124
Capital grants from DfE	(7,431)	-
Decrease/(increase) in debtors	21,555	(74,507)
(Decrease)/increase in creditors	(45,477)	119,306
Defined benefit pension scheme adjustments	17,000	4,000
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS	<u>(25,546)</u>	<u>99,040</u>

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

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

	2015	2014
	£	£
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>147</u>	<u>112</u>
	2015	2014
	£	£
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(26,388)	(123,396)
Capital grants from DfE	7,431	-
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(18,957)</u>	<u>(123,396)</u>
	2015	2014
	£	£
FINANCING		
Repayment of loans	<u>(711)</u>	<u>-</u>

22. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	85,677	(45,067)	-	40,610
DEBT:				
Finance leases	-	-	-	-
Debts due within one year	(711)	711	(1,830)	(1,830)
Debts falling due after more than one year	(43,885)	-	1,830	(42,055)
NET FUNDS/(DEBT)	<u>41,081</u>	<u>(44,356)</u>	<u>-</u>	<u>(3,275)</u>

23. MEMBERS LIABILITY

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

24. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Swindon Borough 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £11,099 were payable to the scheme at 31 August 2015 (2014: £22,169) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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 £64,725 (2014: £57,186).

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

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

24. 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 Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £130,000, of which employer's contributions totalled £102,000 and employees' contributions totalled £28,000. The agreed contribution rates for future years are 21.4% for employers and 5.5% to 6.8% 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	(1,304,000)	(1,165,000)
Fair value of scheme assets	865,000	776,000
	<hr/>	<hr/>
Net liability	(439,000)	(389,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2015	2014
	£	£
Current service cost	(119,000)	(77,000)
Interest on obligation	(45,000)	(35,000)
Expected return on scheme assets	45,000	33,000
	<hr/>	<hr/>
Total	(119,000)	(79,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2015	2014
	£	£
Opening defined benefit obligation	1,165,000	-
Current service cost	119,000	77,000
Interest cost	45,000	35,000
Contributions by scheme participants	28,000	21,000
Actuarial Losses	6,000	113,000
Benefits paid	(59,000)	-
Liability transferred on conversion	-	919,000
	<hr/>	<hr/>
Closing defined benefit obligation	1,304,000	1,165,000
	<hr/> <hr/>	<hr/> <hr/>

MILLBROOK PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

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

	2015	2014
	£	£
Opening fair value of scheme assets	776,000	-
Expected return on assets	45,000	33,000
Actuarial gains and (losses)	(27,000)	16,000
Contributions by employer	102,000	75,000
Contributions by employees	28,000	21,000
Benefits paid	(59,000)	-
Asset transferred on conversion	-	631,000
	865,000	776,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £130,000 (2014: £97,000).

The Academy expects to contribute £102,000 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	70.00 %	71.00 %
Bonds	15.00 %	17.00 %
Property	12.00 %	10.00 %
Cash	2.00 %	2.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.60 %
Rate of increase in salaries	4.50 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %

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	22.3 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.5 years
Females	26.9 years	26.9 years

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24. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015	2014
	£	£
Defined benefit obligation	(1,304,000)	(1,165,000)
Scheme assets	865,000	776,000
Deficit	(439,000)	(389,000)
Experience adjustments on scheme liabilities	(6,000)	(113,000)
Experience adjustments on scheme assets	(27,000)	16,000

25. OPERATING LEASE COMMITMENTS

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

	2015	2014
	£	£
EXPIRY DATE:		
Between 2 and 5 years	3,536	-

**MILLBROOK PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
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26. RELATED PARTY TRANSACTIONS

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

M Wilson , wife of T Wilson, a Trustee, is employed as a teaching assistant. Her appointment was made in open competition and Mr Wilson was not involved in the decision making process. She is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a Trustee.

M Larkin , daughter of M Watson, a Trustee, is employed as a pre-school leader. Her appointment was made in open competition and Mr Watson was not involved in the decision making process. She is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a Trustee.

The Academy is a member of The Link Academies Collaborative Trust with Westlea Primary School, Shaw Ridge Primary School and Peatmoor Community Primary School. Income and expenditure with these schools in the year were as follows:

	Expenditure £			
	Shaw Ridge	Millbrook	Westlea	Peatmoor
Income £				
Shaw Ridge	X	2,922	2280	643
Millbrook	371	X	60	120
Westlea	342	3,464	X	379
Peatmoor	Nil	12,932	Nil	X

There were no balances due between any of the schools in the Link Academies Collaborative Trust at 31 August 2015.

27. CONTROLLING PARTY

The Company is under joint control of the Trustees and therefore there is no ultimate controlling party