

ACLE ACADEMY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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ACLE ACADEMY
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	R Hayles S Baldwin D M Whittle R F Timms
Trustees	R Hayles, Chair S Baldwin, Vice Chair (resigned 31 January 2016) G Batty (appointed 14 January 2016) D M Whittle T Phillips (resigned 30 November 2015) R F Timms (resigned 1 September 2015) M James (resigned 1 April 2016) K Jarvis (resigned 10 December 2015) M Papageorgiou (resigned 31 December 2015) I Cator C Harrison-Williams (resigned 1 February 2016) R Masterson S Smith (appointed 21 September 2015, resigned 31 January 2016) M Blocksidge (resigned 30 April 2016) I Burns (appointed 1 April 2016, resigned 31 August 2016) J Crosby (resigned 21 September 2015) M Becker (resigned 21 September 2015) K Nicholls (resigned 21 September 2015)
Company registered number	08169571
Company name	Acle Academy
Principal and registered office	South Walsham Road Acle Norwich Norfolk NR13 3ER
Chief executive officer	G Batty
Senior management team	G Batty T Phillips, (resigned 31 December 2015) M Blocksidge, (resigned 31 August 2016) P Taverner, (resigned 14 March 2016) J Hutchinson, (resigned 31 August 2016) J Clarke, (resigned 31 August 2016) L Cowan, (left at end of contract 31 August 2016) J Blocksidge, (resigned 31 May 2016)
Independent auditors	Price Bailey LLP Chartered Accountants Statutory Auditors 20 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich NR7 0HR

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Advisers (continued)

Bankers Lloyds Bank Plc
 16 Gentleman's Walk
 Norwich
 NR2 1LZ

Solicitors Steeles Law
 Lawrence House
 5 St Andrews Hill
 Norwich
 NR2 1AD

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Trustees Report

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Acle Academy (the Academy, The Trust or the Charitable Company) for the year ended 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 11 to 16 serving a catchment area in the Broadland and coastal area. It has a pupil capacity of 711 and a roll of 571 at the time of the October 2015 school census.

Structure, Governance and Management

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Acle Academy (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance through the DfE RPA Scheme to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance is via the RPA scheme and provides cover up to £10,000,000 on any one claim or as a total aggregated value of claims in any one year, and details are disclosed in Note 11 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body.

Acle Academy was put in to 'Special Measures' and in December 2015 the Wensum Trust started to work with the school. A Challenge Board was formed and this group has worked in place of the Governing Body. The Wensum Trust Board of Trustees will guide the appointment of members to the Local Governing Body.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively.

All new Trustees are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chairman of Trustees and Head of School.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Challenge Board, which meets on at least 3 occasions per year and each individual committee at least 3 times per year. The Challenge Board is responsible for the strategic direction of the Academy. The Challenge Board reviews progress towards educational objectives and results. As from April 2015, The Wensum Trust CEO was appointed as Executive Headteacher of Acle Academy. In conjunction with the Challenge Board, they approve major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Head of School and reviews them.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Executive Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. Due to the school's Ofsted rating of 'Special Measures' the Head of School has limited delegated financial responsibility, however specific budget holders are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process and overseen by the Chief Finance Officer of The Wensum Trust.

The Head of School manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets with the Head of School frequently to discuss emerging matters and to help to develop strategies to move the school out of 'Special Measures'. Each member of the SLT has specific responsibilities to assist the Head of School to manage certain aspects of the Academy with a clear reporting line to the Executive Headteacher.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Academy Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved and ratified by the Challenge Board and overseen by the Executive Headteacher

Related Parties and other Connected Charities and Organisations

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, it is inevitable that from time to time transactions will take place with organisations in which members of the Board 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 procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- The Wensum Trust
- EFA / DfE
- Norfolk County Council

The Trust did not have a formal sponsor to the date of this report but the academy joined The Wensum Trust on 01 October 2016.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 16.

Objectives, Strategies and Activities

- To make appropriate changes to the school's leadership and management team to allow for rapid improvement to move forward from its current Ofsted status.
- To make rapid improvement in student achievement and attainment order to move forward from its current Ofsted status of 'Special Measures'.
- To raise the standards of educational achievement of all students in Key Stage 3 and Key Stage 4
- Offer a varied and relevant curriculum
- To provide a culture of learning where students can develop into responsible learners
- To ensure students and staff learn and work in a safe and well maintained environment
- To provide value for money for funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

During the year the School has worked towards these aims by:

- The Executive Headteacher, in collaboration with external consultants, conducted a thorough review of all working practices, including Leadership & Management and quality of teaching to make recommendations re necessary changes to staffing.
- Adopting various intervention strategies for Year 11 students as advised by Executive Headteacher and The Wensum Trust
- Adopt rigorous tracking and assessment procedures as advised by The Wensum Trust
- Timetable revised as per guidance from The Wensum Trust to enable focussed intervention as well as relevant curriculum.
- Maintain student links with international and community partnerships
- Executive Headteacher the school has forged stronger links with parents by introducing 'open door' policy therefore improving dialogue.
- Executive Headteacher has worked closely with feeder schools to form stronger partnerships.

Our success in fulfilling our aims can be measured by:

- More effective Leadership and Management team in place with new Head of School to be appointed from the 1 September 2016.
- Year 11 students achieving 67% A*-C English and Maths in Summer 2016
- Timetable is now operating in a more cost effective manner – staff do not have an abundance of free periods
- Relevant timetable in place with suitable intervention strategies embedded has resulted in greater student achievement.
- Improved parental engagement and support
- Support from feeder schools leading to enhanced transition process

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust continued in its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the school.

Specific achievements were as follows:

- Year 11 students achieved 67% A*-C in English and Maths, which is above national average
- The school achieved the highest GCSE results in the Broadland and Coastal area

Key Performance Indicators

Members of the Challenge Board and Executive Headteacher receive regular information to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2016 were 571 which was in line with expectations.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2015/16 this was 84.9% before inclusion of one off severance payments in the year.

As part of the due diligence process relating to Acle Academy joining the Wensum Trust, the Wensum Chief Financial Officer and Business Manager identified significant concerns relating to the viability of the school's 3 year budget. In Autumn term 2015, Acle began consulting on staff restructuring with view to completion in August 2016. However, on closer inspection of the projected budget, further reductions were identified in order to achieve a balanced budget. The Wensum Trust recognises that further reductions are required in accordance with reducing student numbers and these will start to take affect from September 2017.

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TRUSTEES' REPORT (continued)
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During the brokerage process to The Wensum Trust, the DfE requested an independent audit of the school's finances, this included detailed cashflow and budget projections for the 3 years. This was completed by the end of summer term 2016 and findings were reported to the DfE, showing the school to have an expected cash deficit of £174,000 by the 31 August 2016.

Once joining The Wensum Trust, the Board of Trustees will have confidence that staffing levels will be closely monitored to the agreed Full Time Equivalent and staffing structures will be approved by The Wensum Trust Board.

Going Concern

Without significant external funding to address the predicted cash deficit position, the school cannot be considered a going concern. The trust itself (Acle Academy) will cease once the transfer of the academy to The Wensum Trust has completed and all subsequent transactions and creditors satisfied.

Following discussions in late summer and the early part of Autumn Term 2016, the DfE have undertaken to support the school with a non-repayable grant to counter balance the cash deficit position. A GAG advance is expected in September 2016.

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education Funding agency (EFA). For the year ended 31 August 2016 the Trust received £3,109,470 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £3,828,040 on expenditure and transferred £63,614 to support capital and improvement projects on the School site. The Academy brought forward from 14/15, £716,740 on restricted funds and £191,953 on unrestricted funds. The carry forward for 15/16 is a deficit of £1,360,000 on restricted funding and a deficit of £175,771 on unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £1,360,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from The Wensum Trust CFO.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2016 was £175,771.

The cash balance of the Academy has been a cause for concern all year, ending with a predicted year end cash deficit of £175,771 being total funds excluding the pension fund and restricted fixed asset fund. Funding has been agreed by the DfE/EFA to counterbalance this deficit position and a deficit recovery plan is required before these funds can be released

The above comments have left the balance on the Unrestricted Funds of the academy materially in deficit by £175,771. The Academy has had various significant costs in the year which were required to bring its facilities up to an acceptable standard and also in staff restructuring costs as highlighted in the Trustees' Report and also Note 9 to the financial statements. As noted in Note 24 the academy transferred its operating activities to The Wensum Trust on 1 October 2016 and so is taking steps within the new Trust to return these funds to surplus.

Investment Policy

Acle Academy will abide by The Wensum Trust Investment Policy. This Policy is currently in the process of being completed and will be in place by the end of Spring Term 2017.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk.

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TRUSTEES' REPORT (continued)
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Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on a timely basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is high. Cashflow monitoring and forecast reporting at Acle have been inaccurate, which is thought to have contributed to the school's deficit position as at 31 August 2016. This is expected to change once Acle Academy joins The Wensum Trust. The budget will be subject to very strict monitoring to ensure that the deficit recovery plan, submitted to the DfE is strictly observed.

Staff costs make up the majority of expenditure, there are no significant contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Academy has considerable reliance on continued Government funding through the EFA and 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 success of the Academy is dependent on being able to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed. The CEO takes a proactive attitude in taking steps to mitigate any reputational risk such as holding Headteacher forums and meeting one to one with disenchanted parents. The CEO works with local cluster schools and has shared his vision for the Academy as it moves towards joining The Wensum Trust and the benefits this will bring;
- 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 on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Academy's financial processes are overseen by the CFO of The Wensum Trust. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan, which is now under the control of The Wensum Trust.

Under The Wensum Trust the Academy will strengthen its risk management process throughout the coming year as this will be managed by The Wensum Trust finance team and CEO, improving the process and ensuring staff awareness.

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TRUSTEES' REPORT (continued)
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Plans for Future Periods

Under The Wensum Trust the Academy will continue striving to improve levels of performance of its students at all levels, and will build on its recent progress. The Academy will ensure that the staffing levels and associated costs are directly related to the number of students on roll and the income generated by this formula.

The Academy joined The Wensum Trust on the 1 October 2016 and will have very limited delegation of power. The Wensum Trust will manage all key areas of operation including data assessment, financial management, site management, business management and ongoing improvement strategy.

The Academy budget will be closely monitored by The Wensum Trust in order to maintain a viable 3-year budget plan. It will be necessary to look for alternative income streams to fund the replacement of essential ICT hardware and the Academy will need to be aware of how to capitalise on all its assets. Any business proposals will be thoroughly reviewed by The Wensum Trust and if necessary, legal advice will be sought prior to any decision making.

The Acle Academy trust will cease to exist once Acle Academy school has been transferred to The Wensum Trust and the final one month period to 30 September 2016 for which the school remained within the Acle Academy Trust has been finalised.

Funds Held as Custodian Trustee on Behalf of Others

The trust does not hold any fund as a custodian Trustee on behalf of others.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on **20.12.2016** and signed on the Board's behalf by:



R Hayles
Trustee

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Acle 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Acle Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
R Hayles, Chair	4	4
S Baldwin, Vice Chair	1	2
D M Whittle	0	0
T Phillips	0	0
R F Timms	0	0
M James	3	4
K Jarvis	1	2
M Papageorgiou	1	2
I Cator	4	4
C Harrison-Williams	0	0
R Masterson	2	4
S Smith	2	2
M Blocksidge	4	4
I Burns	2	2
J Crosby	0	0
M Becker	0	0
K Nicholls	0	0

In the wake of an unofficial Ofsted Pilot visit in May 2015 many shortcomings of the school were highlighted and it was indicated that had it been an official inspection the school would have lost its Ofsted rating of 'Good'. The head teacher went on long term sick leave and the governors immediately sought to join a Multi Academy Trust and with the aid of the Department of Education were eventually matched with the Wensum Trust.

In September 2015, an external review of governance was commissioned by the members. This review resulted in the Chair of Governors stepping down and many of the other governors resigning. The remaining governors, temporarily bolstered by some consultants, reformed into a single committee (a pseudo Challenge Board) who met more regularly. The focus of the Board was to challenge the Leadership Team, formulate strategies and implement the necessary changes required to enable rapid improvement for the students at Acle. The challenges were hampered further by the lack of capability and capacity in what was left of the senior leadership team who were also operating under extreme pressure.

Ofsted returned officially in December 2015, resulting in Acle Academy being declared 'Special Measures'. From January 2016, The Wensum Trust stepped in bringing desperately needed experience. The governors were reformed into a formal Challenge Board. From this point in time, the Board included the CEO of The Wensum Trust, Head of School, a senior education consultant (a former Ofsted HMI) and three directors from the Academy's original board of directors.

The Challenge Board has been required to manage the dissolution of the existing academy with brokerage to The Wensum Trust due in the early Autumn 2016.

The Academy will be required to prepare accounts up until the point of termination of the funding agreement. This will be managed by the CFO at The Wensum Trust. An audit for this period of time will also be required and this will also be managed by the Wensum Trust CFO.

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GOVERNANCE STATEMENT (continued)

Governance reviews:

In September 2015, an external review of governance was commissioned from Norfolk Governor Services. The Ofsted Section 5 visit in December 2015 found the governance of the Academy to be 'inadequate' but did recognise the recent changes that had been put in place following the governance review.

The External Review and the Ofsted inspection both found that Governance had failed to hold senior leaders to account with sufficient rigour. Governors failed to address the decline in the quality of education provided by the Academy. Governors did not have the capacity to make the changes necessary to bring about rapid improvement.

The Academy joined The Wensum Trust in Autumn 2016 and therefore this is not applicable. The Challenge Board will remain in place until the Academy progresses from its current Ofsted rating.

The Finance and Audit Committee is a sub-committee of the main Governing Body. Its purpose is to:

- To prepare a sustainable 3-year budget plan.
- To maintain and monitor the 3-year budget plan.
- To ensure that the Trust accounts are independently audited and recommendations acted upon each year and the results made public.
- To consider the budget position reported at each revision and to report significant anomalies from the anticipated position to the Board of Directors.
- To monitor all actual income and expenditure against the latest budget revision and provide background for any differences.
- To make decisions in respect of service level agreements.
- To make decisions on expenditure following recommendations from the local Governing Body.
- To determine whether sufficient funds are available to make pay increments as recommended.
- Ensure completion of Peer to Peer consultancy visits and implement any resulting action plan.
- Ensure preparation is made for the audit of financial procedures in line with requirements of the Academies Financial Handbook (AFH).
- To advise the Directors on priorities, including Health and Safety, for the requests made by Local Governing Bodies to repair, maintain and sustain Academy School facilities and equipment.
- In consultation with the Head of School oversee premises-related, capital funding bids.
- To establish and keep under review a Building Development and Accessibility plan.
- Ensure that each Academy follows safer recruitment practices (including carrying out formal DBS checks for all new members of staff and maintenance of a log of staff checks for Single Central Record purposes) and has a formal induction programme for all new staff members.
- To draft and keep under review the Academy staffing structure and manage any staff adjustment in consultation with the Head of School.
- Monitor and review all policies and procedures relating to Health and Safety, Building Development & Management, Risk Management, Pay and Personnel and any other policies designated to this Committee.
- Ensure that the Appraisal policy is implemented and that all staff are included in the system of performance review.
- To consider any other issues which have financial, infrastructure and personnel implications and ensure this is reported to the Board of Directors.
- To report to the Board of Trustees at each of its meetings.
- Unless expressly addressed in the Terms of Reference abide by the schedule of requirements detailed in Annex C of the Academies Financial Handbook.

The Finance Committee will receive information relating to funding received from the EFA. Any significant changes regarding this funding will be reported to the Directors for their consideration at Board level.

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GOVERNANCE STATEMENT (continued)

Following the external review of governance and the resulting reduction in Governor numbers, the committees were merged into a single full governors' committee with the key challenge being the overseeing of the implementation of a staffing restructuring, due for completion by the end of financial year 2016.

When the CEO of The Wensum Trust was appointed as Executive Headteacher in April 2016 The Wensum Trust took responsibility for financial management at Acle Academy.

The CFO and Business Manager of the Wensum Trust established that the Academy was likely to be in a cash deficit position by the 31 August 2016. On instruction from the DfE/EFA an external accountancy firm was appointed and this position was confirmed with a likely cash deficit of £178,000 by the end of the financial year.

The Wensum Trust Business Manager undertook a number of due diligence checks and established that many areas of the building were not compliant with fire regulations. Urgent fire safety work was commissioned and completed by Summer 2016.

The Academy buildings were also reviewed and as a result, urgent roof repairs were identified valued at £480,000.

The Academy's ICT infrastructure was evaluated by an external consultant and findings reported. Urgent replacement of equipment such as main servers, storage array network, main switchgear and back-up systems were identified for immediate replacement. This totalled £180,000.

Meetings with senior DfE/EFA representatives were held in March, June and July to discuss the Wensum Trust findings and establish a way to move the Academy forward.

In previous years the Academy operated a reciprocal arrangement with other academies to provide a peer to peer review programme. There have been no peer to peer reviews in this financial year.

As the Academy joins the Wensum Trust it will be subject to Peer to Peer review and this programme will be re-established by Easter 2017.

Once the programme of Peer to Peer has been re-established this will be carried out on a termly basis.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy 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 academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate.

In consideration of the particular, extraordinary, circumstances in which Acle Academy finds itself by the 31 August 2016 it is not appropriate for the Academy to issue a Value for Money. The Academy's staffing re-structure for 2015/16 will be fully implemented by the 31 August 2016, however the Academy recognises that it will have a significant cash deficit by the end of the financial year.

The last published Value for Money Statement relates to year ended 31 August 2014. As the Acle is to join The Wensum Trust in early Autumn 2016 the Academy's future Value for Money statements will be encompassed in the Wensum Trust document.

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 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 Acle Academy for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

The system of internal control has been developed and is coordinated by the Business Manager, under the direction of the Headteacher. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.

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GOVERNANCE STATEMENT (continued)

The review of the effectiveness of the systems of internal control is informed by:

- regular scrutiny of financial and other performance monitoring data
- regular reports from the Head Teacher and other managers to the Governing Body
- the termly reports from the peer-to-peer reviews

We are, therefore, satisfied that the internal control systems in operation at the School during this period are effective.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the The Finance 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 appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the appointee reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have a peer to peer arrangement with a group of other converter Academies.

The peer-to-peer review performs a range of checks on the Academy Trust's financial procedures and records to ensure they are operating in accordance with the Academy's Financial Policy and Procedures and to provide Governors with evidence they are discharging their financial responsibilities correctly. No material issues were identified at this time. Four reviews were received during the period of this report.

Should there be any control issues highlighted as a result of peer review visits all necessary remedial actions will be undertaken and reported to the Full Governing Body.

The Governing body and Business Manager also feel these arrangements will lead to a sharing of 'best practice' between the Academies.

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

ACLE ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the [insert relevant body] and a plan to address weaknesses and ensure continuous improvement of the system is in place under the guidance of The Wensum Trust.

Approved by order of the members of the Governing Body on 20.12.2016 and signed on their behalf, by:



R Hayles
Chair of Trustees



G Batty
Accounting Officer

ACLE ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Acle Academy 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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.


G Batty
Accounting Officer

ACLE ACADEMY
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Acle Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report 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 Governors 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 20.12.2016 and signed on its behalf by:



R Hayles
Chair

ACLE ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ACLE ACADEMY

We have audited the financial statements of Acle Academy for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company 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 Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the 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 charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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.

ACLE ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ACLE ACADEMY

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.

John Warren FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

20 Central Avenue
St Andrews Business Park
Thorpe
St Andrew
Norwich
NR7 0HR

Date: 20 December 2016

ACLE ACADEMY
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ACLE
ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Acle Academy during the year 1 September 2015 to 31 August 2016 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 Acle Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Acle Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Acle Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ACLE ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Acle Academy's funding agreement with the Secretary of State for Education dated 31 August 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the accounting officers' statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other Key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

ACLE ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ACLE
ACADEMY 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Price Bailey LLP

Chartered Accountants

20 Central Avenue
St Andrews Business Park
Thorpe
St Andrew
Norwich
NR7 0HR

Date: 20 December 2016

ACLE ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	10,132	141,302	14,446	165,880	195,458
Charitable activities	5	-	3,109,470	-	3,109,470	3,114,235
Other trading activities	3	5,750	1,166	-	6,916	22,872
Investments	4	644	-	-	644	1,470
TOTAL INCOME		16,526	3,251,938	14,446	3,282,910	3,334,035
EXPENDITURE ON:						
Charitable activities	7	384,250	3,286,584	157,206	3,828,040	3,620,978
TOTAL EXPENDITURE	6	384,250	3,286,584	157,206	3,828,040	3,620,978
NET EXPENDITURE BEFORE TRANSFERS		(367,724)	(34,646)	(142,760)	(545,130)	(286,943)
Transfers between Funds	17	-	(63,614)	63,614	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(367,724)	(98,260)	(79,146)	(545,130)	(286,943)
Actuarial losses on defined benefit pension schemes	21	-	(545,000)	-	(545,000)	(14,000)
NET MOVEMENT IN FUNDS		(367,724)	(643,260)	(79,146)	(1,090,130)	(300,943)
RECONCILIATION OF FUNDS:						
Total funds brought forward		191,953	(716,740)	8,187,295	7,662,508	7,963,451
TOTAL FUNDS CARRIED FORWARD		(175,771)	(1,360,000)	8,108,149	6,572,378	7,662,508

The notes on pages 23 to 39 form part of these financial statements.

ACLE ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08169571

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		8,108,149		8,187,295
CURRENT ASSETS					
Stocks	13	3,665		3,665	
Debtors	14	54,318		67,856	
Cash at bank and in hand		154,407		264,557	
		<u>212,390</u>		<u>336,078</u>	
CREDITORS: amounts falling due within one year	15	(388,161)		(109,865)	
NET CURRENT (LIABILITIES)/ASSETS			(175,771)		226,213
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,932,378</u>		<u>8,413,508</u>
Defined benefit pension scheme liability	21		(1,360,000)		(751,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>6,572,378</u></u>		<u><u>7,662,508</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	-		34,260	
Restricted fixed asset funds	17	8,108,149		8,187,295	
		<u>8,108,149</u>		<u>8,221,555</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,360,000)		(751,000)	
		<u>(1,360,000)</u>		<u>(751,000)</u>	
Total restricted income funds			6,748,149		7,470,555
Unrestricted income funds	17		(175,771)		191,953
TOTAL FUNDS			<u><u>6,572,378</u></u>		<u><u>7,662,508</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on **20.12.2016** and are signed on their behalf, by:



R Hayles
Chair

The notes on pages 23 to 39 form part of these financial statements.

ACLE ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	19	(47,180)	(144,261)
Cash flows from investing activities:			
Dividends, interest and rents from investments		644	1,470
Purchase of tangible fixed assets		(78,060)	(42,737)
Capital grants from DfE/EFA		14,446	-
Net cash used in investing activities		(62,970)	(41,267)
Change in cash and cash equivalents in the year		(110,150)	(185,528)
Cash and cash equivalents brought forward		264,557	450,085
Cash and cash equivalents carried forward		154,407	264,557

ACLE ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Acle Academy constitutes a public benefit entity as defined by FRS 102.

As explained in note 24, the Academy Trust transferred its operating activities, assets and liabilities to The Wensum Trust on 1 October 2016 and so the Acle Academy Trust has ceased its operating activities from this date with the academy school continuing to operate from within The Wensum Trust instead. As required by UK accounting standards, the Trustees have prepared the accounts on the basis that the Academy Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to The Wensum Trust at their carrying amounts.

First time adoption of FRS 102

These financial statements are the first financial statements of Acle Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Acle Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

1.2 Fund accounting

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

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

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

ACLE ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account 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 Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement 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.

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

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.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 at least one year from the date of authorisation for issue of the financial statements. As outlined in note 24 it is known at the date of authorising the financial statements that the academy transferred its operating activities to The Wensum Trust. As noted in note 1.1 the Academy Trust is therefore not a going concern and so the accounts have been prepared on a basis other than going concern.

ACLE ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. 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:

Freehold property	-	2% straight line
Freehold land	-	0%
Plant and machinery	-	20% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	33.33% straight line

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.10 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.

ACLE ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.15 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 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 quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

ACLE ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	10,132	133,302	-	143,434	173,190
Capital Grants	-	-	14,446	14,446	14,868
Grants	-	8,000	-	8,000	7,400
	<u>10,132</u>	<u>141,302</u>	<u>14,446</u>	<u>165,880</u>	<u>195,458</u>
Total donations and capital grants	10,132	141,302	14,446	165,880	195,458

In 2015, of the total income from donations and capital grants, £11,502 was to unrestricted funds and £183,956 was to restricted funds

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental Income	1,330	-	1,330	2,930
Other Income	4,420	-	4,420	18,489
Music lessons	-	1,166	1,166	1,453
	<u>5,750</u>	<u>1,166</u>	<u>6,916</u>	<u>22,872</u>

In 2015, of the total income from other trading activities, £21,419 was to unrestricted funds and £1,453 was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank Interest	644	-	644	1,470

In 2015, of the total investment income, £1,470 was to unrestricted funds and £NIL was to restricted funds.

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	2,945,922	2,945,922	2,935,945
Other DfE / EFA grants	-	139,848	139,848	140,318
	-	3,085,770	3,085,770	3,076,263
Other government grants				
Local authority grants	-	23,700	23,700	37,972
	-	23,700	23,700	37,972
	-	3,109,470	3,109,470	3,114,235

In 2015, of the total income from charitable activities, £NIL was to unrestricted funds and £3,114,235 was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Provision of Education:					
Direct costs	2,481,412	-	510,561	2,991,973	2,842,284
Support costs	304,237	252,495	279,335	836,067	778,694
	2,785,649	252,495	789,896	3,828,040	3,620,978

In 2016, of the total expenditure, £384,250 (2015 - £13,675) was to unrestricted funds and £3,286,584 (2015 - £3,607,303) was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
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7. CHARITABLE ACTIVITIES

	2016 £	As restated 2015 £
Direct costs - educational operations	2,991,973	2,842,284
Support costs - educational operations	836,067	778,694
	<hr/>	<hr/>
Total	3,828,040	3,620,978
	<hr/>	<hr/>

	2016 £	As restated 2015 £
Analysis of support costs		
Support staff costs	333,237	324,048
Depreciation	157,206	163,550
Technology costs	17,717	19,614
Premises costs	162,602	133,611
Other support costs	156,455	131,121
Governance costs	8,850	6,750
	<hr/>	<hr/>
Total	836,067	778,694
	<hr/>	<hr/>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	157,206	163,550
Auditors' remuneration - audit	5,000	4,950
Auditors' remuneration - other services	3,850	1,800
Operating lease rentals	8,629	8,525
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,048,104	2,208,489
Social security costs	185,410	159,614
Operating costs of defined benefit pension schemes	359,449	343,396
	<u>2,592,963</u>	<u>2,711,499</u>
Supply teacher costs	41,379	20,329
Staff restructuring costs	151,307	-
	<u>2,785,649</u>	<u>2,731,828</u>

Staff restructuring costs comprise:

Redundancy costs	57,400	-
Severance payments	93,907	-
	<u>151,307</u>	<u>-</u>

Included in staff restructuring costs are non-statutory, non-contractual severance payments totalling £93,907 (2015: £Nil). Individually, the payments were: £13,800, £11,780, £15,032, £13,295 and £40,000.

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

	2016 No.	2015 No.
Teachers	38	41
Administration and support	56	56
Management	4	5
	<u>98</u>	<u>102</u>

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

	2016 No.	2015 No.
Teachers	34	34
Administration and support	28	31
Management	3	5
	<u>65</u>	<u>70</u>

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

	2016 No.	2015 No.
In the band £ 70,001 - £ 80,000	1	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £443,853 (2015: £447,063).

Included in the above are employer pension contributions of £50,499 (2015: £53,519).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and 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, including employer pension contributions, paid was as follows:

T Phillips (Headteacher)

Remuneration £15,000-£20,000 (2015 - £75,000-£80,000)

Employer's Pension contribution £0-£5,000 (2015 - £5,000-£10,000)

M Blocksidge (Acting Headteacher)

Remuneration £45,000-£50,000 (2015 - £Nil)

Employer's Pension contribution £5,000-£10,000 (2015 - £Nil)

M Becker (Staff Governor)

Remuneration £0-£5,000 (2015 - £45,000-£50,000)

Employer's Pension contribution £0-£5,000 (2015 - £0-£5,000)

K Jarvis (Staff Governor)

Remuneration £0-£5,000 (2015 - £15,000-£20,000)

Employer's Pension contribution £0-£5,000 (2015 - £0-£5,000)

I Burns (Staff Governor)

Remuneration £15,000-£20,000 (2015 - £Nil)

Employer's Pension contribution £0-£5,000 (2015 - £Nil)

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	8,326,447	12,339	232,850	91,718	8,663,354
Additions	15,131	490	-	62,439	78,060
At 31 August 2016	8,341,578	12,829	232,850	154,157	8,741,414
Depreciation					
At 1 September 2015	344,095	1,665	63,662	66,637	476,059
Charge for the year	115,025	2,233	23,283	16,665	157,206
At 31 August 2016	459,120	3,898	86,945	83,302	633,265
Net book value					
At 31 August 2016	7,882,458	8,931	145,905	70,855	8,108,149
At 31 August 2015	7,982,352	10,674	169,188	25,081	8,187,295

Included in land and buildings is freehold land at valuation of £2,626,000 which is not depreciated.

The land and buildings have been included in the accounts based on the valuation provided by the EfA using depreciated replacement cost. The governors believe that the cost of obtaining a more detailed valuation outweighs the benefit.

13. STOCKS

	2016 £	2015 £
Uniform stock	3,665	3,665

14. DEBTORS

	2016 £	2015 £
VAT recoverable	5,213	5,329
Prepayments and accrued income	49,105	62,527
	54,318	67,856

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NOTES TO THE FINANCIAL STATEMENTS
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15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	193,557	24,401
Other taxation and social security	44,727	-
Other creditors	36,593	-
Accruals and deferred income	113,284	85,464
	<u>388,161</u>	<u>109,865</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	74,252	82,313
Resources deferred during the year	36,143	74,252
Amounts released from previous years	(74,252)	(82,313)
Deferred income at 31 August 2016	<u>36,143</u>	<u>74,252</u>

The deferred income held at 31 August 2016 principally related to educational visits and rates received in advance.

16. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at amortised cost	<u>179,084</u>	<u>285,157</u>
Financial liabilities measured at amortised cost	<u>307,291</u>	<u>24,401</u>

Financial assets measured at amortised cost comprise trade debtors and bank balances.

Financial liabilities measured at amortised cost comprise trade creditors, pension creditor and accruals.

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

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	191,953	16,526	(384,250)	-	-	(175,771)
Restricted funds						
General Annual Grant (GAG)	9,015	2,945,922	(2,891,323)	(63,614)	-	-
Ranworth Trust	7,230	8,000	(15,230)	-	-	-
Other government grants	-	23,700	(23,700)	-	-	-
Other DfE/EFA grants	-	139,848	(139,848)	-	-	-
Other restricted	-	35,109	(35,109)	-	-	-
Educational visits	18,015	99,359	(117,374)	-	-	-
Pension reserve	(751,000)	-	(64,000)	-	(545,000)	(1,360,000)
	(716,740)	3,251,938	(3,286,584)	(63,614)	(545,000)	(1,360,000)
Restricted fixed asset funds						
Restricted fixed assets	8,157,178	-	(153,053)	14,446	-	8,018,571
Devolved Formula Capital grant	-	14,446	-	(14,446)	-	-
Capital expenditure from GAG	30,117	-	(4,153)	63,614	-	89,578
	8,187,295	14,446	(157,206)	63,614	-	8,108,149
Total restricted funds	7,470,555	3,266,384	(3,443,790)	-	(545,000)	6,748,149
Total of funds	7,662,508	3,282,910	(3,828,040)	-	(545,000)	6,572,378

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

General Annual Grant

This represents funding from the EFA to cover the costs of recurrent expenditure.

The transfer from GAG relates to the contribution from GAG funding towards the purchase of capital assets during the year.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Ranworth Trust

Donations are made to the school by the Ranworth Trust to fund places on trips and community support.

Other government grants

This represents other funding from the government towards the provision of education.

Other DfE/EFA grants

This represents other funding from the DfE and EFA towards the provision of education.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

17. STATEMENT OF FUNDS (continued)

Other restricted

This represents funding received from other bodies towards a specific purpose.

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state controlled school.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 21 based on the period end actuarial valuation.

Restricted fixed asset fund

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

Devolved Formula Capital (DFC) fund

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

The trust is carrying a net deficit of £175,771 on restricted general funds (excluding pension reserve) plus unrestricted funds because it has had various significant costs in the year which were required to bring its facilities up to an acceptable standard and also in staff restructuring costs as highlighted in the Trustees' Report and also Note 9 to the financial statements. As noted in Note 24 the academy transferred its operating activities to The Wensum Trust on 1 October 2016 and so is taking steps within the new Trust to return these funds to surplus.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	8,108,149	8,108,149	8,187,295
Current assets	3,665	208,725	-	212,390	336,078
Creditors due within one year	(179,436)	(208,725)	-	(388,161)	(109,865)
Provisions for liabilities and charges	-	(1,360,000)	-	(1,360,000)	(751,000)
	<u>(175,771)</u>	<u>(1,360,000)</u>	<u>8,108,149</u>	<u>6,572,378</u>	<u>7,662,508</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(545,130)	(286,943)
Adjustment for:		
Depreciation charges	157,206	163,550
Dividends, interest and rents from investments	(644)	(1,470)
Decrease in stocks	-	1,707
Decrease in debtors	13,538	40,201
Increase/(decrease) in creditors	278,296	(111,438)
Capital grants from DfE and other capital income	(14,446)	(14,868)
Pension adjustments	64,000	65,000
Net cash used in operating activities	(47,180)	(144,261)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	154,407	264,557
Total	154,407	264,557

21. 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 Norfolk County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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 £36,547 were payable to the schemes at 31 August 2016 (2015 - Nil) 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

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21. PENSION COMMITMENTS (continued)

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

The employer's pension costs paid to TPS in the period amounted to £240,449 (2015 - £225,396).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, 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 2016 was £110,000 (2015 - £104,000), of which employer's contributions totalled £84,000 (2015 - £78,000) and employees' contributions totalled £26,000 (2015 - £26,000). The agreed contribution rates for employers are 16.8% plus an annual contribution of £14,000 to 31 March 2017, 21.1% to 31 March 2018, 21.9% plus an annual contribution of £700 to 31 March 2019, 21.9% plus an annual contribution of £5,400 to 31 March 2020. The agreed future contribution rate for employees is tiered based on salary levels between the following rates, 5.5% and 12.5%.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00%	3.70 %
Rate of increase in salaries	3.10 %	3.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2016	2015
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	24.5	24.5
Females	26.9	26.9

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21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	831,000	639,000
Bonds	360,000	286,000
Property	166,000	143,000
Cash	28,000	33,000
Total market value of assets	<u>1,385,000</u>	<u>1,101,000</u>

The actual return on scheme assets was £190,000 (2015 - £42,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(119,000)	(118,000)
Net interest cost	(29,000)	(25,000)
Total	<u>(148,000)</u>	<u>(143,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	1,852,000	1,657,000
Current service cost	119,000	118,000
Interest cost	71,000	63,000
Contributions by employees	26,000	26,000
Actuarial losses	693,000	19,000
Benefits paid	(16,000)	(31,000)
Closing defined benefit obligation	<u>2,745,000</u>	<u>1,852,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,118,000	985,000
Interest income	42,000	55,000
Actuarial gains and (losses)	148,000	5,000
Contributions by employer	84,000	78,000
Contributions by employees	26,000	26,000
Benefits paid	(16,000)	(31,000)
Closing fair value of scheme assets	<u>1,402,000</u>	<u>1,118,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

22. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	8,199	9,321
Between 1 and 5 years	10,895	16,077
Total	<u>19,094</u>	<u>25,398</u>

23. RELATED PARTY TRANSACTIONS

During the year restricted donations and sponsorship of £8,000 (2015 - £7,400) were receivable from the Ranworth Trust, of which the husband of I Cator is a Trustee.

In January 2016, G Batty who is a Trustee of The Wensum Trust became Accounting Officer of the Acle Academy making the two trusts related parties. During the time that the trusts were related parties, Acle Academy paid for educational and management support services under a service level agreement with The Wensum Trust costing £92,809 and as at the end of the reporting period Acle Academy owed The Wensum Trust an unsecured amount of £48,580 in respect of these services. It is understood that the charges made by The Wensum Trust were at cost with no element of profit included. All transactions were carried out in accordance with the "at cost requirements" as stipulated in section 3.2 of the EFA Academies Financial Handbook 2015.

Other transactions with related parties are disclosed in note 10 for Trustees' remuneration and expenses.

Other than those transactions noted above, no further related party transactions took place during the reporting year.

24. POST BALANCE SHEET EVENTS

The Academy Trust transferred its operating activities, assets and liabilities to The Wensum Trust on 1 October 2016 and has ceased its operating activities. All assets and liabilities were transferred to The Wensum Trust at their carrying amounts.

The Trust received a loan from the EFA on 15 September 2016 amounting to £198,000 which is not expected to commence with being repaid until September 2017 at which point the repayment period is expected to be two years. The loan was granted interest free. The reason for the loan was to support the academy in making payment of its September 2016 staff salaries and restructuring costs.

25. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP	8,188,733	7,963,451
Total funds reported under FRS 102	<u>8,188,733</u>	<u>7,963,451</u>

Reconciliation of net (expenditure)	Notes	31 August 2015 £
Net (expenditure) previously reported under UK GAAP		(269,943)
Change in recognition of LGPS interest cost	A	(17,000)
Net movement in funds reported under FRS 102		<u>(286,943)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A The change represents the recognition of the net interest expense under FRS102.