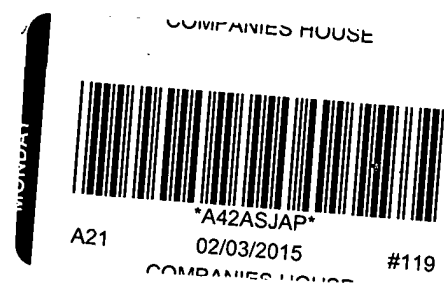


ACLE ACADEMY

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014



ACLE ACADEMY
(A Company Limited by Guarantee)

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ACLE ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members	R F Timms, Chair S Baldwin, Vice Chair J O Dickson D Bryant D M Whittle
Trustees	T Phillips, Headteacher R Hayles, Parent Governor A Jackson, Parent Governor M Morris, Parent Governor L Rout, Co-opted G Tempest, Parent Governor (resigned 17 September 2013) G Waterton, Parent Governor J Crosby, Co-opted K Willgress, Co-opted (resigned 17 September 2013) M de Woeps, Co-opted (resigned 17 September 2013) M Becker, Staff Governor E Brown, Co-opted K Pyer, Staff Governor (appointed 19 September 2013) T Hiller, Parent Governor (appointed 20 January 2014) K Nicolls, Parent Governor (appointed 12 May 2014) M Papageorgiou, Co-opted (appointed 12 May 2014) I Cator, Co-opted (appointed 12 May 2014)
Company registered number	08169571
Principal and registered office	South Walsham Road Acle Norwich Norfolk NR13 3ER
Company secretary	J Clarke
Chief executive officer	T Phillips
Senior management team	T Phillips, Headteacher M Blocksidge, Deputy Headteacher P Taverner, Deputy Headteacher J Hutchinson, Assistant Headteacher J Clarke, Business Manager
Independent auditors	Price Bailey LLP Chartered Accountants Statutory Auditors 20 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich NR7 0HR
Bankers	Lloyds Bank Plc 16 Gentlemans's Walk Norwich NR2 1LZ

ACLE ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Administrative details (continued)

Solicitors	Eversheds LLP 85 Queen Victoria Street London EC4V 4JL
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ACLE ACADEMY
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees present their annual report together with the financial statements and auditors' report of Acle Academy (the Charitable Company) for the year ended 31 August 2014. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The Charitable Company operates an academy for pupils aged 11-16 serving the catchment area of Acle and the surrounding parishes. It has a pupil capacity of 711 and a roll of 645 in the October 2013 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum 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.

Details of the Trustees who served throughout the year are included in the Reference and Administrative details section on page 1.

Member's 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.

Trustee and Officers' Indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

Principal Activities

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

Appointment of Governors

The members / directors / trustees / governors are referred to as 'governors' and together form the 'Governing Body'. There are different classes of governors as described below:

Members: 6 appointed by the members of the Academy Trust who established the Academy Trust Company, including themselves

Parent Governors: 6 Parent Governors

Co-opted Governors: 3 Co-opted Governors appointed by the Governing body

Staff Governors: 2 – one each from the Teaching and Support Staff

Headteacher: Ex officio by virtue of office held

All Governors are appointed for a fixed term of four years. Parent governors and the staff governors are elected to office or appointed if there are insufficient candidates offering themselves for election.

ACLE ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Policies and Procedures Adopted for the Induction and Training of Trustees

New governors attend a training programme. The induction programme would involve a tour of the school, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake as governors with particular emphasis on the committee work that they will undertake.

The Academy also 'buys in' the Norfolk County Council Governor Support Service which provides training sessions for new and existing Governors. A member of the governing body is responsible for Governor Training and Development.

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 full Governing Body, meets at least once per term and is responsible for the strategic direction of the academy. Governor sub-committees looking at Teaching & Learning, Behaviour & Safety, Personnel and Finance also meet termly. The chairs of the sub-committees also meet as an Executive Committee termly.

The Governing Body reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year, and set the organisational staffing structure, agree the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

The Headteacher is the designated Accounting Officer of the academy and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the academy on a daily basis supported by a Senior Leadership Team. The Senior Leadership Team meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Governing Body as required for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspects of the academy

The members meet at least once each year to hold an Annual general Meeting.

Connected Organisations included Related Party Relationships

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

OBJECTIVES AND ACTIVITIES

Objects and aims

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

Our vision is to be a centre of excellence for science and mathematics with the highest standards of achievement in all subjects and a care and guidance system, which promotes personal growth, so that we are in the top 10 schools in Norfolk, whatever the measure. We are determined to improve our recent examination results.

To achieve this vision we know that we will need to retain, recruit and train the best staff available. We try to create opportunities for everyone to make a contribution to the development and improvement of the school. We value relationships and strive to provide the best facilities and resources in these difficult financial times. The governors and senior staff work closely to ensure our resources are always used wisely.

Our curriculum is regularly reviewed and we aim to be innovative and supportive of our learners, particularly those with additional needs and we are proud of our strong international and community partnerships.

The staff offer a generous extra-curricular programme built on strong partnerships and collaboration with a range of providers and organisations. We have a rich and varied calendar of sport, science and arts based activities and an interesting range of lectures, courses and workshops for adults.

ACLE ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Objects and aims cont.

Student participation and leadership are vital to the health of the school. We need students to be active contributors and we have lively Year Councils and a Student Council led by our senior prefects.

Engaging parents and carers and keeping them informed of student progress is vital if we are to give consistent messages to young people about our values and raising aspirations. Our regular newsletter 'High Notes' provides an interesting survey of everything that is happening in our busy school community.

We have a list of guiding principles that set out what we aim to achieve for our students, staff and local community. These are supported by a range of policies that govern how we put them into practice every day.

Objectives, Strategies and Activities

The key development priorities for the Academy are set out in detail in our Strategic and School Development Plans.

In 2014-2015 we will address the three Ofsted Action Points (May 2013):

- Ensure all teachers:
 - focus more on developing students' literacy and numeracy skills, whatever subject they teach
 - encourage students to read more often, to develop better independent research skills and promote more interest in reading for pleasure.
- Increase the frequency of teachers' marking and improve the quality of written feedback so that each student is clear about the next steps they need to take if they are to make good progress.
- Set more difficult work for the most able students so they find their lessons more challenging and are better prepared to answer the most demanding GCSE questions.

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.

ACHIEVEMENTS AND PERFORMANCE

KS3 Results (Teacher Assessments only)

English	5+	77.2%	(Target 84%)
	6+	24.8%	(Target 37%)
Maths	5+	71.7%	(Target 83%)
	6+	55.9%	(Target 61.6%)
Science	5+	84%	(Target 92%)
	6+	41.4%	(Target 52.8%)

KS4 Results

Nationally this has been a turbulent year for GCSE results. There have been a number of important changes affecting the way results are 'valued' with marked differences between the grades which count for students individually and the value they are given later in the National Performance Tables.

Fifteen subjects saw an improvement on their 2013 results, several by a significant margin. Results in mathematics were disappointing and we will be taking this opportunity to review our action plans in order to bring about rapid improvement. The % of A*/A grades, 14.5%, shows a small improvement on last year and there were some exceptional individual performances. Twenty students achieved 5 or more A/A*.

ACLE ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

KS4

5 or more A* - C grades	67%	(Target 88.7%)
5 or more A* - C grades with English and Maths	50%	(Target 73.9%)
5 or more A* - G grades	97.9%	(Target 99.3%)
English Baccalaureate	23.9%	(last year 32.2%)

Science Results

Achieving 3 science A* - C grades	17.6%
Achieving 2+ science A* - C grades	48.6%
Achieving 1+ science A* - C grades	58.5%

The Academy had an OFSTED inspection in April 2013 with the following key findings for parents and pupils:

This is a good school.

- This is a good school because the teaching is good, the students make good progress, and the school is well led.
- Examination results compare favourably with those in other schools, and the recent focus on improving the progress of students in English has been effective.
- Nearly all students behave well in lessons and around the school. The school is a secure, safe place to learn. Students say they enjoy coming to this school because of the pleasant family atmosphere.
- The quality of teaching is good. Teachers know their subjects well, plan lessons carefully, explain ideas patiently and keep detailed records of students' progress.
- The Headteacher, other school leaders and the governors work together well. They share a common sense of purpose, check the teaching carefully, and are determined in their drive for improvement. They keep track on the progress of students very carefully to ensure they are all making good progress.
- Many teachers give their time generously to ensure students benefit from a broad range of interesting and enjoyable music, sport and other out-of-class activities.

It is not yet an outstanding school because:

- Teachers do not do enough to develop students' literacy and numeracy skills in different lessons, nor do they do enough to encourage students to read for pleasure or to develop independent research skills.
- Teachers do not mark students' books often enough or give them sufficient pointers for improvement.

Going concern

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

Key Financial Performance Indicators

- Maintaining a 3 year balanced budget
- Maintaining adequate staffing levels to meet requirements of the timetable
- Maintaining staffing levels to ensure adequate provision for SEN students
- Continuation of successful initiatives to enable increased student achievement

FINANCIAL REVIEW

Financial Review

The main source of funding for the academy is the General Annual Grant (GAG) and other grants that it receives from the EFA. For the period ended 31 August 2014 the trust received £3,344,374 in GAG and other funding. A high percentage of this funding 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 Academy Trust spent virtually all of its restricted funds, but had an overall in-year surplus of £116,764, ignoring depreciation and FRS17 pension adjustments. This increased the carried forward surplus to £333,415, ignoring pension reserve and restricted fixed asset fund. The Governors recognise this will be used over the next two years to support the curriculum as fall in roll and income is managed.

ACLE ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Principal risks and uncertainty

The Governors 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 management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Governors at each Finance Committee meeting. 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 Governors 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 low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Academy maintains a risk register identifying the major risks to which the Academy is exposed and identifying actions and procedures to mitigate those risks. The register is approved and monitored by the Finance and Personnel committees. The principle risks facing the Academy at a contextual level are outlined below in the principle risks and uncertainties section. Those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The governors and Headteacher assess the risks and uncertainties facing the Academy as follows:

- Material decrease in income affecting provision - Although the current budget 2014/15 is sound the longer-term financial plan shows erosion of the contingency as the fall in numbers on roll affects income.
- Falling rolls - The roll fell by 60 students in September 2013, with a small fall of 15 in September 2014, but with a further fall of 20 students predicted in September 2015. The 'mix' will also cause income to fall as there will be fewer students in KS4. This is chiefly due to the demographics in the catchment area.
- Staff retention and recruitment - Falling roll and income will may require a further staffing adjustment process leading to staff being unsettled.
- 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 Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Governors 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 so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. Recruitment of suitability qualified staff in key areas is beginning to be an issue in some subjects.
- Fraud and mismanagement of funds - The academy uses a peer-to-peer review arrangements with other Academies to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

Reserves policy

The Governors are aware of the requirement to balance current and future needs. The Governors always aim to set a balanced budget with annual income balancing annual expenditure.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £162,178. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

The governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should currently be set to not lower than one month's salary costs (including on costs), currently approximately £230,000. The reason for this is to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit of £672,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Investment policy

An Investment Policy was approved by the Governing body in November 2012.

The aim of the policy is to ensure funds that the academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the academy's income but with minimal risk.

The Academy has adopted a low risk policy of investing its cash balances with a view to maximising returns. The policy aims to invest cash such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy. This is placed on a Treasury Deposit with the Academy's bankers and is reviewed monthly.

PLANS FOR FUTURE PERIODS

The Academy will continue striving to improve the levels of performance of its students at all levels, and will attempt to maintain its recent progress in ensuring the number of students on roll properly reflects the demand for places.

The governors intend to enhance and expand facilities in pursuance of the school's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing curriculum requirements and that a greater diversity of learning environments will be required to deliver these.

PROVISION OF INFORMATION TO AUDITORS

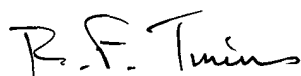
Each of the persons who are governor at the time when this Governors' Report is approved has confirmed that;

- so far as that governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that governors have taken all the steps that ought to have been taken as a governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish the charitable company's auditors are aware of that information.

The auditors, Price Bailey LLP, are willing to continue in office and a resolution to re-appoint them was passed at a members meeting on the 23rd June 2014.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors on 8 December 2014 and signed on its behalf by:

R F Timms
Chair



ACLE ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, 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 board of governors 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 board of governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Governor	Meetings attended	Out of a possible
R F Timms, Chair	4	4
S Baldwin, Vice Chair	4	4
J O Dickson	4	4
D Bryant	1	4
D M Whittle	4	4
T Phillips, Headteacher	4	4
R Hayles, Parent Governor	4	4
A Jackson, Parent Governor	3	4
M Morris, Parent Governor	3	4
L Rout, Co-opted	2	4
G Tempest, Parent Governor	0	0
G Waterton, Parent Governor	3	4
J Crosby, Co-opted	2	4
K Willgress, Co-opted	0	0
M de Woeys, Co-opted	0	0
M Becker, Staff Governor	4	4
E Brown, Co-opted	0	0
K Pyer, Staff Governor	4	4
T Hiller, Parent Governor	2	2
K Nicolls, Parent Governor	1	1
M Papageorgiou, Co-opted	1	1
I Cator, Co-opted	1	1

During the period of the report, the Governing Body received resignations from one Parent Governor and one Co-opted Governor. To replace these and the vacancies caused by resignations at the end of the 2012/13 academic year, 4 new appointments have been made, 2 each of Parent and Co-opted Governors.

At the end of the summer term 2014 there was a full board of Governors.

The Governing body is currently undertaking a self-evaluation exercise to ensure we have the correct mix of skills. The outcomes of this will be reviewed during Autumn term 2014. Governors have also attended a number of training sessions provided by the Norfolk Governor Support Service to provide training for governors. These have included:

Introduction to Governance
Pupil Premium – Narrowing the Gap
Attendance – the Governors' Perspective
Safer Recruitment
Safeguarding
Working with Families to Widen Aspiration
Basic Finance
Chair Governors – the role

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GOVERNANCE STATEMENT (continued)

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

1. Oversight of the day-to-day operation of the Academy Finances, with due regard for the requirements of the Academies Financial Handbook and the Academy Funding agreement.
2. In consultation with the Headteacher and Business Manager, recommend for approval, to the full governing body, the first formal budget plan of the financial year.
3. To establish and maintain a 3-year rolling, indicative oversight of the Academy budget.
4. To prepare and review the detail financial policy statements, including consideration of long-term planning and resourcing.
5. To monitor the implementation and operation of the Academy's Financial Policy and Procedures by the appointment of 'an independent reviewer'
6. To maintain a Charging Policy for the school.
7. To monitor income and expenditure of all funds and to report the financial situation to the full governing body each term.
8. To monitor the impact of spending decisions upon educational achievement in the school.
9. To recommend for approval by the governing body the level of delegation to the Headteacher for the day-to-day financial management of the school.
10. To recommend to the full governing body proposals for the delegation of authority to the Headteacher to take action on minor items of repair and maintenance work subject to a specified financial limit, set at £10,000.
11. To recommend the amount which can be vired between budget headings by the Headteacher without prior agreement of the finance committee.
12. To oversee the preparation of the year-end accounts. Liaising with the Headteacher, Business Manager and external auditors.
13. To review the Asset Management Plan and develop a rolling programme of repairs and maintenance. To approve the costs and arrangements for maintenance, repairs and redecoration within the budget allocation.
14. To agree procedures to be followed for carrying out emergency work and to make recommendations about delegation to the Headteacher for taking appropriate action on behalf of the governing body in the event of an emergency.
15. To monitor the work of appointed contractors, in the preparation and implementation of contracts and to monitor and review arrangements for cleaning, grounds maintenance and school meals in line with the financial procedures agreed by the governing body.
16. To attend or commission appropriate governor training.
17. To report its deliberations to the full governing body at each of its meetings.
18. To review regularly the detail of the agreed Financial Policy and Procedures.

During the period of the report there were 2 additions to the membership of the committee. The committee oversaw the preparation of the year-end Academy accounts and received the report from the Trust's accountants.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Baldwin, Chair of Finance	4	4
J O Dickson, Vice Chair of Finance	4	4
R Hayles	4	4
T Phillips, Headteacher and Accounting Officer	4	4
R F Timms	3	4
G Waterton	4	4
D M Whittle	3	4

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GOVERNANCE STATEMENT (continued)

The Governors decided to use a system of peer-to-peer review with another converter Academy, involving the Business manager from each Academy undertaking a review of procedures and financial records on a termly basis. The subsequent report is presented at the respective Governing bodies on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The key challenge faced by the committee and the School during the period of the report was related to the falling roll and the financial implications for the budget and future staffing levels. The Academy had to once again undertake a staffing adjustment process which achieved required savings on staffing costs, without the need for compulsory redundancies. In addition, at their termly meetings, they reviewed progress against budget, capital expenditure, school fund and risk management.

They received the draft accounts from the external auditor who presented them explaining the process they had undertaken and their recommendations for 'year-end adjustments'.

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 2013 to 31 August 2014 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.

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 board of governors 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 board of governors 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 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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 board of governors;
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors 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 review arrangement with another converter Academy.

ACLE ACADEMY
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GOVERNANCE STATEMENT (continued)

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 Governor's with evidence they are discharging their financial responsibilities correctly. No material issues were identified at this time. Two reviews (January 14 and May 14) 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 peer-to-peer review;
- 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.

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

Approved by order of the members of the board of governors on 8 December 2014 and signed on its behalf, by:


R F Timms
Chair


T Phillips
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 board of governors 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

T. J. Phillips

T Phillips
Accounting Officer

Date: 8 December 2014

ACLE ACADEMY
(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (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 Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

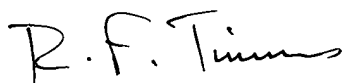
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The 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 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 board of governors on 8 December 2014 and signed on its behalf by:



R F Timms
Chair

ACLE ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF ACLE ACADEMY

We have audited the financial statements of Acle Academy for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement, the Governors (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 Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

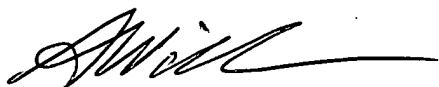
ACLE ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Aaron Widdows FCCA (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: 15/12/2014

ACLE ACADEMY
(A Company Limited by Guarantee)

**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 19 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Acle Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Acle Academy and 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 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy'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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Aaron Widdows FCCA (Reporting Accountant)

Price Bailey LLP

Chartered Accountants

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

Date: 15/12/2014

ACLE ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Assets transferred on conversion to academy	2	-	-	-	-	8,261,064
Other voluntary income	2	-	131,913	-	131,913	170,496
Activities for generating funds	3	8,890	5,496	-	14,386	28,672
Investment income	4	1,214	-	-	1,214	735
Incoming resources from charitable activities	5	-	3,328,561	15,813	3,344,374	3,421,266
TOTAL INCOMING RESOURCES		10,104	3,465,970	15,813	3,491,887	11,882,233
RESOURCES EXPENDED						
Charitable activities	7	-	3,406,428	155,046	3,561,474	3,704,604
Governance costs	8	-	9,695	-	9,695	18,896
TOTAL RESOURCES EXPENDED	6	-	3,416,123	155,046	3,571,169	3,723,500
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		10,104	49,847	(139,233)	(79,282)	8,158,733
Transfers between funds	17	-	(10,462)	10,462	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		10,104	39,385	(128,771)	(79,282)	8,158,733
Actuarial gains and losses on defined benefit pension schemes		-	(146,000)	-	(146,000)	30,000
NET MOVEMENT IN FUNDS FOR THE YEAR		10,104	(106,615)	(128,771)	(225,282)	8,188,733
Total funds at 1 September 2013		161,133	(403,207)	8,430,807	8,188,733	-
TOTAL FUNDS AT 31 AUGUST 2014		171,237	(509,822)	8,302,036	7,963,451	8,188,733

All activities relate to continuing operations.

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

The notes on pages 22 to 37 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	12		8,293,240		8,430,807
CURRENT ASSETS					
Stocks	13	5,372		5,372	
Debtors	14	108,057		53,448	
Cash at bank and in hand		450,085		254,058	
		<u>563,514</u>		<u>312,878</u>	
CREDITORS: amounts falling due within one year	15	(210,091)		(69,952)	
NET CURRENT ASSETS			353,423		242,926
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,646,663</u>		<u>8,673,733</u>
CREDITORS: amounts falling due after more than one year	16		(11,212)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			8,635,451		8,673,733
Defined benefit pension scheme liability	22	(672,000)			(485,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>7,963,451</u>		<u>8,188,733</u>
FUNDS OF THE ACADEMY					
Restricted funds :					
Restricted funds	17	162,178		81,793	
Restricted fixed asset funds	17	8,302,036		8,430,807	
Restricted funds excluding pension liability		8,464,214		8,512,600	
Pension reserve		(672,000)		(485,000)	
Total restricted funds			7,792,214		8,027,600
Unrestricted funds	17		171,237		161,133
TOTAL FUNDS			<u>7,963,451</u>		<u>8,188,733</u>

The financial statements were approved by the Governors, and authorised for issue, on 8 December 2014 and are signed on their behalf, by:

R F Timms
Chair

R. F. Timms

The notes on pages 22 to 37 form part of these financial statements.

ACLE ACADEMY
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	19	196,479	276,756
Returns on investments and servicing of finance	20	1,214	735
Capital expenditure and financial investment	20	(1,666)	(23,433)
INCREASE IN CASH IN THE YEAR		<u>196,027</u>	<u>254,058</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

	2014 £	2013 £
Increase in cash in the year	<u>196,027</u>	<u>254,058</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>196,027</u>	<u>254,058</u>
Net funds at 1 September 2013	254,058	-
NET FUNDS AT 31 AUGUST 2014	<u>450,085</u>	<u>254,058</u>

The notes on pages 22 to 37 form part of these financial statements.

ACLE ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Governors indicated as such on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 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 Governors.

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

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

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

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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

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

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

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

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

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.

ACLE ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.7 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

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

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

1.8 Operating leases

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

1.9 Stocks

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

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 2014**

1. ACCOUNTING POLICIES (continued)

1.11 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 quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a pension interest adjustment in note 7. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Assets transferred on conversion to academy	-	-	-	8,261,064
Donations	-	125,113	125,113	143,914
Legacies	-	-	-	11,782
Grants	-	6,800	6,800	14,800
Subtotal	-	131,913	131,913	170,496
Voluntary income	-	131,913	131,913	8,431,560

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Rental Income	3,365	-	3,365	2,374
Other Income	5,525	3,504	9,029	23,843
Music lessons	-	1,992	1,992	2,455
	8,890	5,496	14,386	28,672

ACLE ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank Interest	1,214	-	1,214	735

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	3,148,564	3,148,564	3,150,443
Other DfE / EFA grants	-	152,479	152,479	138,295
Special educational projects	-	43,331	43,331	107,528
Start up grant	-	-	-	25,000
	-	3,344,374	3,344,374	3,421,266

6. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Expenditure Premises 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Academy's educational operations					
-Direct costs	2,518,931	-	312,680	2,831,611	2,905,859
-Allocated support costs	275,434	252,784	201,645	729,863	798,745
Charitable activities	2,794,365	252,784	514,325	3,561,474	3,704,604
Governance	-	-	9,695	9,695	18,896
	2,794,365	252,784	524,020	3,571,169	3,723,500

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Individual items over £5,000		
	Total £	Amount £	Reason
Ex-gratia/compensation payments	15,400	15,400	Staff redundancy payment

ACLE ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

7. CHARITABLE ACTIVITIES

	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,087,778	2,109,629
National insurance	152,535	158,323
Pension cost	278,618	279,580
Educational supplies	209,260	247,486
Examination fees	48,287	63,896
Staff development	9,011	15,678
Educational consultancy	5,402	5,155
Supply teaching	40,720	26,112
	<u>2,831,611</u>	<u>2,905,859</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	208,046	214,234
National insurance	10,297	11,105
Pension cost	57,091	51,987
Depreciation	155,046	157,463
FRS17 costs	12,000	16,000
Staff development	3,179	-
Technology costs	17,627	30,851
Travel and subsistence	3,883	4,191
Other costs	35,004	37,461
Recruitment and support	2,551	2,888
Maintenance and support	42,840	58,427
Cleaning	4,647	5,856
Rates	17,176	17,667
Energy	49,671	60,490
Insurance	31,542	34,637
Security	1,194	1,074
Transport	18,270	14,975
Catering	17,625	21,056
Occupancy costs	5,294	5,719
Printing, postage and stationery	5,898	5,979
Professional fees	30,824	46,500
Non-recoverable VAT	158	185
	<u>729,863</u>	<u>798,745</u>
	<u><u>3,561,474</u></u>	<u><u>3,704,604</u></u>

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Governance Auditors' remuneration	-	9,695	9,695	4,850
Governance Auditors' non audit costs	-	-	-	1,730
Legal and professional	-	-	-	12,316
	<u>-</u>	<u>9,695</u>	<u>9,695</u>	<u>18,896</u>

ACLE ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

9. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,239,673	2,295,979
Social security costs	162,832	169,427
Other pension costs (Note 22)	335,709	331,567
	<u>2,738,214</u>	<u>2,796,973</u>
Supply teacher costs	40,751	26,112
Compensation payments	15,400	1,772
	<u><u>2,794,365</u></u>	<u><u>2,824,857</u></u>

b. Staff numbers

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

	2014 No.	2013 No.
Teachers	39	38
Administration and support	33	34
Management	4	4
	<u>76</u>	<u>76</u>

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £ 70,001 - £ 80,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2014 pension contributions for this staff member amounted to £10,617 (2013 - £10,512).

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10. GOVERNORS' REMUNERATION AND EXPENSES

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the academy in respect of their role as Governors. The value of Governors' remuneration, including pension contributions, fell within the following bands:

	2014 £	2013 £
T Phillips	85,000-90,000	70,000-75,000
L Watney	-	25,000-30,000
R Ward	-	15,000-20,000
M Becker	50,000-55,000	45,000-50,000
K Pyer	15,000-20,000	

During the year, no Governors received any reimbursement of expenses (2013 - £352).

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £819 (2013 - £819). The cost of this insurance is included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £
Cost				
At 1 September 2013	8,296,166	-	214,587	77,517
Additions	-	2,762	6,525	8,192
At 31 August 2014	8,296,166	2,762	221,112	85,709
Depreciation				
At 1 September 2013	114,662	-	20,935	21,866
Charge for the year	114,662	230	20,883	19,271
At 31 August 2014	229,324	230	41,818	41,137
Net book value				
At 31 August 2014	8,066,842	2,532	179,294	44,572
At 31 August 2013	8,181,504	-	193,652	55,651

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12. TANGIBLE FIXED ASSETS (continued)

	Total £
Cost	
At 1 September 2013	8,588,270
Additions	17,479
At 31 August 2014	<u>8,605,749</u>
Depreciation	
At 1 September 2013	157,463
Charge for the year	155,046
At 31 August 2014	<u>312,509</u>
Net book value	
At 31 August 2014	<u>8,293,240</u>
At 31 August 2013	<u>8,430,807</u>

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

	2014 £	2013 £
Uniform stock	<u>5,372</u>	<u>5,372</u>

14. DEBTORS

	2014 £	2013 £
Other debtors	18,689	4,720
Prepayments and accrued income	89,368	48,728
	<u>108,057</u>	<u>53,448</u>

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15. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	94,498	2,784
Accruals and deferred income	115,593	67,168
	<u>210,091</u>	<u>69,952</u>
		£
Deferred income		
Deferred income at 1 September 2013		<u>30,452</u>

16. CREDITORS:
Amounts falling due after more than one year

	2014 £	2013 £
Accruals and deferred income	11,212	-

17. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	161,133	10,104	-	-	-	171,237
Restricted funds						
General Annual Grant (GAG)	58,941	3,148,564	(3,069,575)	(10,462)	-	127,468
Ranworth Trust	6,370	6,800	(4,878)	-	-	8,292
Other government grants	-	43,331	(43,331)	-	-	-
Other DfE/EFA grants	-	136,666	(136,666)	-	-	-
Other restricted	-	30,855	(30,855)	-	-	-
Educational visits	16,482	99,754	(89,818)	-	-	26,418
Pension reserve	(485,000)	-	(41,000)	-	(146,000)	(672,000)
	<u>(403,207)</u>	<u>3,465,970</u>	<u>(3,416,123)</u>	<u>(10,462)</u>	<u>(146,000)</u>	<u>(509,822)</u>

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17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted fixed assets	8,430,807	-	(155,046)	17,479	-	8,293,240
Devolved Formula Capital grant	-	15,813	-	(7,017)	-	8,796
	<u>8,430,807</u>	<u>15,813</u>	<u>(155,046)</u>	<u>10,462</u>	<u>-</u>	<u>8,302,036</u>
Total restricted funds	<u>8,027,600</u>	<u>3,481,783</u>	<u>(3,571,169)</u>	<u>-</u>	<u>(146,000)</u>	<u>7,792,214</u>
Total of funds	<u>8,188,733</u>	<u>3,491,887</u>	<u>(3,571,169)</u>	<u>-</u>	<u>(146,000)</u>	<u>7,963,451</u>

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 2014.

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.

Otehr DfE/EFA grants

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

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 22 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.

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17. STATEMENT OF FUNDS (continued)

Devolved Formula Capital (DFC) fund

The Academy is to use the DFC allocation to maintain and improve its buildings and facilities.

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(Losses) £	Carried forward £
General funds	161,133	10,104	-	-	-	171,237
Restricted funds	(403,207)	3,465,970	(3,416,123)	(10,462)	(146,000)	(509,822)
Restricted fixed asset funds	8,430,807	15,813	(155,046)	10,462	-	8,302,036
	<u>8,188,733</u>	<u>3,491,887</u>	<u>(3,571,169)</u>	<u>-</u>	<u>(146,000)</u>	<u>7,963,451</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	8,293,239	8,293,239	8,430,807
Current assets	171,237	383,480	8,797	563,514	312,878
Creditors due within one year	-	(210,090)	-	(210,090)	(69,952)
Creditors due in more than one year	-	(11,212)	-	(11,212)	-
Provisions for liabilities and charges	-	(672,000)	-	(672,000)	(485,000)
	<u>171,237</u>	<u>(509,822)</u>	<u>8,302,036</u>	<u>7,963,451</u>	<u>8,188,733</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	(79,282)	8,158,733
Returns on investments and servicing of finance	(1,214)	(735)
Assets transferred on conversion	-	(8,564,837)
Depreciation of tangible fixed assets	155,046	157,463
Capital grants from DfE	(15,813)	-
Increase in stocks	-	(5,372)
Increase in debtors	(54,609)	(53,448)
Increase in creditors	151,351	69,952
FRS 17 adjustments	41,000	515,000
Net cash inflow from operations	<u>196,479</u>	<u>276,756</u>

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	1,214	735
	<u>1,214</u>	<u>735</u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(17,479)	(23,433)
Capital grants from DfE	15,813	-
	<u>(1,666)</u>	<u>(23,433)</u>
Net cash outflow capital expenditure	<u>(1,666)</u>	<u>(23,433)</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	254,058	196,027	-	450,085
Net funds	<u>254,058</u>	<u>196,027</u>	<u>-</u>	<u>450,085</u>

22. 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 defined benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £101,000, of which employer's contributions totalled £75,000 and employees' contributions totalled £26,000. The agreed contribution rates for future years are 16.8% for employers and 5.5-12.5% for employees.

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

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22. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance Sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,657,000)	(1,304,000)
Fair value of scheme assets	985,000	819,000
	<u>(672,000)</u>	<u>(485,000)</u>
Net liability	<u>(672,000)</u>	<u>(485,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2014 £	2013 £
Current service cost	(104,000)	(97,000)
Interest on obligation	(62,000)	(48,000)
Expected return on scheme assets	50,000	32,000
	<u>(116,000)</u>	<u>(113,000)</u>
Total	<u>(116,000)</u>	<u>(113,000)</u>
Actual return on scheme assets	<u>97,000</u>	<u>93,000</u>

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

	2014 £	2013 £
Opening defined benefit obligation	1,304,000	-
Current service cost	104,000	97,000
Interest cost	62,000	48,000
Contributions by scheme participants	26,000	26,000
Actuarial Losses	190,000	31,000
Benefits paid	(29,000)	-
Present value of defined benefit obligation on conversion	-	1,102,000
	<u>1,657,000</u>	<u>1,304,000</u>
Closing defined benefit obligation	<u>1,657,000</u>	<u>1,304,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	819,000	-
Expected return on assets	50,000	32,000
Actuarial gains and (losses)	44,000	61,000
Contributions by employer	75,000	73,000
Contributions by employees	26,000	26,000
Benefits paid	(29,000)	-
Fair value of scheme assets on conversion	-	627,000
	<u>985,000</u>	<u>819,000</u>
	<u>985,000</u>	<u>819,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £116,000 loss (2013 - £30,000 gain).

The academy expects to contribute £81,000 to its Defined Benefit Pension Scheme in 2015.

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22. PENSION COMMITMENTS (continued)

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

	2014	2013
Equities	65.00 %	67.00 %
Bonds	21.00 %	20.00 %
Property	11.00 %	11.00 %
Cash	3.00 %	2.00 %

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	5.80 %
Rate of increase in salaries	3.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.1	21.2
Females	24.3	23.4
Retiring in 20 years		
Males	24.5	23.6
Females	26.9	25.8

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(1,657,000)	(1,304,000)
Scheme assets	985,000	819,000
Deficit	(672,000)	(485,000)
Experience adjustments on scheme assets	44,000	61,000

23. OPERATING LEASE COMMITMENTS

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within 1 year	-	-	-	983
Between 2 and 5 years	-	-	7,966	4,150

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24. RELATED PARTY TRANSACTIONS

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

During the year the academy received sponsorship of £6,800 from the Ranworth Trust, of which the husband of I Cator is a trustee.

Except for the above transaction the academy did not enter into any related party transactions during the year ended 31 August 2014.