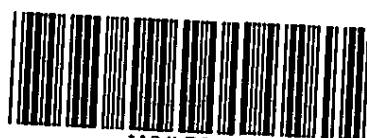


**THETFORD LEARNING TRUST
(A Company Limited by Guarantee)**

THE THETFORD ACADEMY

**Annual Report and Financial Statements
For the year ended 31 August 2013**



A34LR6BK

A27

28/03/2014

#369

COMPANIES HOUSE

**Company Registration Number:
07300320 (England & Wales)**

THETFORD LEARNING TRUST
(A Company Limited by Guarantee)

THE THETFORD ACADEMY

Annual Report and Financial Statements
For the year ended 31 August 2013



Company Registration Number:
07300320 (England & Wales)

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

CONTENTS

	Page
Reference and Administrative Details	1
Governors' Report	3
Governance Statement	14
Statement on Regularity, Propriety and Compliance	20
Statement of Governors' Responsibilities	21
Independent Auditors' Reports	22
Statement of Financial Activities including Income and Expenditure Account	27
Balance Sheet	28
Cash Flow Statement	29
Notes to the Financial Statements, incorporating	
Statement of Accounting Policies	30
Other Notes to the Financial Statements	35

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

REFERENCE AND ADMINISTRATIVE DETAILS

GOVERNORS

R De Souza (Chair appointed in September 2013) * #
D Lawrence (Chair) (resigned as a governor July 2013 but remains a member of the Thetford Learning Trust)
C Oakes (Vice Chair)
A Ball (Executive Principal, and Accounting Officer from October 2013) *
M Foreman
M Gibbins *
C Haggett
M Green (appointed December 2012)
K King (appointed December 2012, resigned September 2013)
T Agnew (appointed September 2013) *#
H Buscall (appointed September 2013) *
B Rogers (appointed September 2013)
D Tibble (appointed September 2013) * #
S Berwick (appointed October 2013) *
C Spillane (Principal and Accounting Officer and ex officio governor until 31 August 2013)
D Humphrey (resigned December 2012)
M Chapman-Allen (resigned May 2013)
E A Williams (resigned June 2013)
M Roffe (resigned July 2013)
P Rout (resigned July 2013)
G Boyd (resigned July 2013)

* current members of Finance and General Purposes committee

current members of Audit and Risk Committee This committee has been constituted as a joint committee with the Inspiration Trust

COMPANY SECRETARY

C Powell

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

REFERENCE AND ADMINISTRATIVE DETAILS

SENIOR LEADERSHIP TEAM

- **Principal** A Ball (Mr Ball was appointed Executive Principal at the Academy from September 2013, formally taking on Accounting Officer responsibilities from 25 October 2013 following the departure of Mrs Spillane)
- **Vice Principal (Teaching & Learning)** K Blakey
- **Vice Principal (Care and Guidance)** I Mackintosh
- **Vice Principal (Data and Progress)** M Neild
- **Assistant Principal (Sixth Form)** R Coulter
- **Assistant Principal (KS3 Progress)** P MacDonald Brown
- **Assistant Principal (KS4 Progress)** C Oswick
- **Assistant Principal (SENDCo)** V Setters
- **Director of Finance** C Powell

PRINCIPAL AND REGISTERED OFFICE North Campus and Administrative Centre
Croxtan Road
Thetford
IP24 1LH

COMPANY REGISTRATION NUMBER 07300320 (England and Wales)

AUDITOR Lovewell Blake LLP
Chartered Accountants
The Gables
Old Market Street
Thetford
Norfolk
IP24 2EN

BANKERS Lloyds PLC
35 King Street
Thetford
IP24 2AX

SOLICITORS Browne Jacobson LLP
44 Castle Gate
Nottingham
NG1 7BJ

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

REPORT OF THE GOVERNORS

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2012 to 31 August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Thetford Learning Trust, hereafter referred to as the Academy, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the prime governing documents of the Academy.

The governors act as trustees for the charitable activities of the Academy and are also directors of the charitable company for the purposes of company law. The charitable company is known as The Thetford Academy.

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

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Governors' Indemnity

Subject to the provisions of the Companies Act 2006, every Governor or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

Principal Activities

The Academy's objective, as set out in its Articles of Association, 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 curriculum with a strong emphasis on, but in no way limited to, English and mathematics

Method of Recruitment and Appointment or Election of Governors

The management of the Academy is the responsibility of the governors who are elected and co-opted under the terms of the Academy deed. The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation.

The term of office for any governor shall be four years, save that this time limit shall not apply to either the Principal or the sponsors. Subject to remaining eligible to be a particular type of governor any governor may be reappointed or re-elected. The governors who were in office at the date of approval of the report and financial statements and who served during the year are listed on page 1.

Policies and Procedures adopted for the Induction and Training of Governors

The training and induction provided for new governors will depend on their existing experience.

Where necessary induction has included training on educational, legal and financial matters. All new governors are given the opportunity of a tour of the Academy, have the chance to meet with staff and students and are provided with copies of key documents, such as the Articles of Association, policies, procedures, accounts, budgets, plans and other documents they need to undertake their role as governors. During 2012/13 the Governing Body induction process was led by the Vice Chair and Clerk to Governors and involved a workshop style presentation accompanied by an information pack. This gave new governors the opportunity to discuss and explore issues salient to their particular roles in an informal group setting. The Governing Body intends to review induction procedures and training opportunities further during 2013/14.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

Organisational Structure

The Academy was set up with a management structure to support the Education Brief. During 2012/13 the Academy's organisational structure consisted of four levels: Thetford Learning Trust members, the governors, the Executive Leadership Team (subsequently replaced by a wider Senior Leadership Team) and other staff undertaking leadership roles in the Academy including Heads of Year, Directors of Faculty and subject lead professionals.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments.

During 2012/13 the Governing Body operated a committee structure reporting into the main Governing Body. Committees included Audit and Risk Committee, Curriculum, Standards, Safeguarding and Student Matters Committee (replaced towards the end of the year by two new committees, Curriculum and Standards Committee and Student Attendance, Behaviour and Safeguarding Committee), Resources Committee and Staff Committee. All had approved terms of reference set out in the Governing Body Standing Orders. In addition an Action Plan Monitoring Committee was established in the spring term in response to the Ofsted report produced following an inspection in February 2013.

During the course of the 2012/13 academic year the full Governing Body formally met 8 times.

The governors have approved a scheme of financial delegation which clearly sets out the level of financial authority delegated to the Principal and members of the leadership team.

During 2012/13 the Executive Leadership Team (ELT), comprising the Principal, Vice Principals and Director of Finance, controlled the Academy at an executive level, implementing the policies laid down by the governors and reporting back to them. The ELT was headed by the Principal and Accounting Officer, Mrs Catherine Spillane. Following the Inspiration Trust taking on the role of sponsors, which was formally agreed by members of the Thetford Learning Trust on 4 September 2013, Mr Adrian Ball became Executive Principal at the Academy. He formally took on the Accounting Officer duties after the departure of Mrs Spillane, following the Governing Body approval on 25 October 2013. Following Mr Ball's appointment he has established a wider Senior Leadership Team (SLT) which encompasses the Assistant Principals as well as the original ELT. Members of the SLT, listed on page 1, are responsible for developing and implementing Academy plans which seek to deliver the best possible education for its students within the agreed budget and scheme of delegation approved by governors.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

Risk Management

The Academy has established risk management arrangements that include a risk management strategy and a strategic risk register. During 2012/13 the strategic risk register was reviewed both by the ELT and Audit and Risk Committee termly. The risk register seeks to both identify the likelihood of a risk occurring, its impact and actions that are being taken to mitigate the risk. Risks included on the register are varied but have included educational risks such as the Academy not achieving the targeted student exam results and acceptable levels of progress, failure to achieve an increase in student numbers, target student attendance rates, improvements in student behaviour, improvements in the quality of teaching or improvements in gaining parental and wider community support. Most significantly it includes the risk of failing to take the Academy out of special measures within an acceptable timescale following an Ofsted inspection carried out in February 2013. It was this event that was instrumental in the Academy sponsors stepping down and agreeing to seek a new sponsor with more sector specialist expertise and capacity to support the Academy as it strives to make necessary improvements. As a result the Inspiration Trust became the new sponsor of the Thetford Academy in September 2013 and the new Executive Principal was appointed. The Ofsted special measures monitoring visit report produced following a visit in October 2013 is a positive one and states that the Academy is now making progress towards the removal of special measures.

In addition to the above the risk register records the risks associated with major incidents, ICT system failures and several financial and operational risks, including budgetary risks and health and safety and safeguarding of student risks. Notably the Academy has identified the risk of a significant budget gap over the medium term and as a result is progressing with a range of actions in order to deliver financial savings. Finance & General Purposes Committee will be overseeing the savings plans on behalf of the Governing Body. Some significant financial risks such as public and employee liability are covered by Insurance. The Academy operates systems of internal financial control and checks and these are examined periodically by the Academy's auditors and Responsible Officer.

Connected Organisations

Easton College was the Principal Sponsor of the Academy throughout 2012/13 and had three Co-Sponsors, Wymondham College, West Suffolk College and Norfolk County Council. A number of students from the Academy attend courses at both Easton and West Suffolk College to enhance their education in specialist areas under normal business arrangements. In addition the Academy purchased services from Norfolk County Council and Wymondham College also under normal business arrangements. With effect from September 2013 the Inspiration Trust became a member of the Thetford Learning Trust and the sole sponsor of the Thetford Academy.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

OBJECTIVES AND ACTIVITIES

Aims and Objectives of the Academy

The Academy objective is set out in its Articles of Association and referred to on page 4. In summary it is to establish, maintain, manage and develop a school offering a broad curriculum with a strong emphasis on, but in no way limited to, English and mathematics. It seeks to deliver this object through The Thetford Academy which opened to students in September 2010 on premises leased from Norfolk County Council.

In accordance with the Articles of Association the Academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which students are drawn, and that the curriculum should comply with the substance of the National Curriculum with an emphasis on English and mathematics.

Objectives, Strategies and Activities

Following the Inspiration Trust becoming the Academy's sole sponsor in September 2013 it has reviewed its objectives and priorities. The key objectives can be summarised as:

- To be removed from the Ofsted special measures category and achieve at least a "good" rating by Ofsted by the end of 2014
- Achieving the Academy's best ever results in 2013/14
- Becoming an "outstanding" rated school by the end of 2016

Specific priorities for the year ahead include:

- Making rapid improvements in Key Stage 4 and Key Stage 5 results
- Improving student behaviour
- Improving the quality of teaching
- Improving assessment and marking, including providing high quality feedback to our students

The Academy's Development Plan is reviewed annually by governors. It has established specific targets in the following areas:

- Achievement of students
- Behaviour and safety of students
- Care, guidance and support
- Quality of teaching
- Curriculum
- Leadership and management

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

Public Benefit

In setting the Academy objectives and planning its activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit

Equal Opportunities Policy

The Academy recognises its commitment to students, staff, parents/carers and governors and to the wider community based on the principle of promotion of self-respect and respect of others. As such we believe that discrimination is unacceptable and our equal opportunities policy seeks to foster all individuals' abilities. In meeting the duties, all our actions will embody our key principles and values which include

- Encouraging young people to develop into good citizens to aim for excellence in all they attempt, to communicate effectively, work well in teams and to enjoy life
- Striving to make the best possible provision for all students, staff, governors and those connected with the Academy regardless of disability, ethnicity, culture, religious belief, national origin or status, gender or sexual orientation
- Respecting diversity. We know that treating everyone equally is not simply a matter of treating everyone the same. We always seek to do our best to make reasonable adjustments for disability, recognise and celebrate cultural differences and understand the different needs and experiences of boys and girls
- Knowing that equality is not simply about protecting the potentially vulnerable. We believe that all students may be disadvantaged by the holding of prejudicial views, and seek to promote good relationships between all groups, and positive attitudes towards disabled people, people from different ethnic or cultural groups or faith backgrounds and people of different gender or sexual orientation
- Valuing our staff for their ability and potential to help us make the best possible provision for the students in the Academy regardless of disability, ethnicity, culture, religious belief, national origin, gender or sexual orientation
- Being proactive in our efforts to identify and minimise existing barriers or inequalities
- Seeking the views of all groups affected by the policies and work of our Academy and involving them in policy review where appropriate
- Recognising our role in promoting community cohesion and actively encouraging the participation in public life of all in the Academy

Disabled Persons

The Academy recognises its responsibilities under the Disability Discrimination Act. The general duty to promote disability equality is owed to all disabled people, which means that we have due regard to

- Promote equality of opportunity between disabled people and other people
- Eliminate unlawful discrimination.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

- Eliminate disability related harassment
- Promote positive attitudes towards disabled people
- Encourage participation by disabled people in public life
- Take steps to take account of disabled people's disabilities, even where that involves treating disabled people more favourably than other people

Accessibility

There is specific disability legislation in relation to disabled students and accessibility which means the Academy plans strategically over time to

- Increase access to the curriculum
- Make improvements to the physical environment of the Academy to increase access
- Make written information available to students in a range of different ways

The Academy ensures that disabled students do not receive less favourable treatment and to do this it has a duty to make reasonable adjustments

ACHIEVEMENTS AND PERFORMANCE

Overview

Whilst the Academy has made progress since it first opened in September 2010, the pace of change and degree of improvement has not been at the level that the students of Thetford deserve. This was reflected in an Ofsted report published in March 2013 which concluded that the Academy was judged "inadequate" and that it required special measures. The Ofsted outcome was instrumental in the previous sponsors stepping down and the Department for Education agreeing that the Inspiration Trust should be the Academy's sole sponsor from September 2013. The Inspiration Trust brings a wealth of specialist expertise and more capacity to help the Academy make much needed improvements.

Academy student results in 2012/13 showed a further small improvement from those in 2011/12. 40% of students achieved 5 GCSE grades of A*-C including English and mathematics, which is in line with the floor target and marginally more than the 38% achieved the previous year. A larger increase was achieved for 5 GCSE grades of A* - C in any subject where a 68% figure was achieved compared to 55% in the previous year. GCSE results in core subjects were mixed. 55% of Academy students achieved a grade of A*-C in mathematics which was a 1% improvement from the previous year yet in English 46% was achieved, which was a drop of 3% from the 2011/12 position.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

Governors are very pleased that the new building on the Croxton Road site was completed on time to enable all the students to come together at the start of the 2013/14 academic year in a fabulous new learning facility. This was a culmination of hard work by numerous parties and individuals and it is the governor's intention to make sure the benefits it brings are maximised by our students. By opening on time the Academy was able to release its lease of the Staniforth Road site back to Norfolk County Council on 31 August 2013. The Academy is committed to its new facilities being available for community use outside of school hours and all the indications are that the wider public will embrace its use.

Key Financial Performance Indicators

Academy expenditure on staff pay as a percentage of total incoming revenue resources was 69.3% in 2012/13 (2012: 68.7%)

Academy deficit on restricted funds (excluding pensions) was £75k (2012: surplus of £376k)

Academy year end current assets to current liabilities ratio was 1.9 to 1 (2012: 4.3 to 1)

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it adopts 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.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

FINANCIAL REVIEW

Overview

These financial statements reflect the year of operational activity for the Academy. During the year the Academy received total income of £8,796k, of this sum £8,263k was received from the Department of Education (DfE) via the Education Funding Agency in respect of its General Annual Grant, used for its day to day running costs, and other revenue grants. In addition £26k was received for capital purposes. Other grants and income amounted to £507k.

Costs for the year totalled £8,896k excluding those relating to the Academy share of the Local Government Pension Scheme (LGPS). The annual review resulted in an actuarial assessed gain of £113k on the LGPS.

The Academy carried forward total reserves of £2,525k as at 31 August 2013. Of this sum £1,809k relates to the restricted fixed asset fund which is committed to capital investment costs.

Financial and Risk Management Objectives and Policies

Changes to the national funding formula, the ending of the Academy's start up grant period, anticipated reduction in student numbers and generally tough financial settlements result in the Academy anticipating a very challenging position over the medium term to deliver a balanced budget. Incoming revenue financial resources of £10,385k in 2010/11 reduced to £8,769k in 2012/13 and are anticipated to reduce to £8,059k in 2013/14. Whilst subject to a number of variables, the Academy anticipates that by 2014/15 annual revenue income could have reduced to below £7,600k. The Academy is committed to delivering a significant savings plan to help balance the budget and has sought to manage its finances carefully in order to establish a healthy level of reserves that can be used to help to address the budget gap over the medium term. Reserves totalled £1,311k as at 31 August 2013 before accounting for the Academy's share of the liabilities of the Norfolk Pension Fund and funds provided to the Academy solely for capital investment purposes.

Principal Risks and Uncertainties

The Academy risk management strategy and risk register arrangements have been embedded throughout 2012/13 but will be reviewed further by the Audit and Risk Committee in 2013/14. Top financial risks that it has identified and are managing include failure to achieve planned student numbers and failure to deliver forecast necessary savings over the medium term and maintain sustainable improvements in student performance. The Academy has initiated actions in order to mitigate these risks.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

Reserves Policy

The Governing Body reviews the reserve levels of the Academy annually at the year-end and as a part of its medium term budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Governors determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

As a part of its monitoring of in-year financial performance the Governing Body reviews the forecast impact on reserves and considers this as a part of its medium term financial planning. During its first years of operation the Governing Body planned to establish a relatively high level of restricted general reserves at the year-end in order to enable it to both manage unforeseen emergencies and also to enable planned use over the medium term to mitigate against anticipated very challenging budget shortfalls. As at 31 August 2013 the Academy held total restricted general funds of £1,263k which it plans to use in part as a component of that medium term financial plan.

Under Accounting Standard FRS17 it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for our non-teaching staff to a specific restricted reserve. As at 31 August 2013 the deficit on this reserve amounted to £596k. It should be noted however that this does not present the Academy with a current liquidity problem. Contributions to the pension scheme are being increased over the next few years in order to reduce the deficit.

In addition the Academy held £1,809k restricted fixed asset funds as at 31 August 2013. The fixed asset fund reflects both the funding received for capital investment purposes and the depreciation costs of assets. The balance available after accounting for future year depreciation costs amounts to £386k which relates predominantly to future ICT investment planned.

Unrestricted funds show a small surplus of £49k.

Investment Policy

The Governing Body has approved a treasury management policy and invests cash flow surpluses for a limited period of up to one year in order to generate a return on any cash balances. However, in balancing risk against return the Academy policy is clearly geared towards avoiding risk than to maximising return. As at 31 August 2013 the Academy has only cash deposits invested with its banker, Lloyds, amounting to £1,500k in total and a further £1,000k invested in a NatWest instant access deposit account earning 1.25% interest. Of the £1,500k invested with Lloyds £500k had been placed for twelve months at 1.00% and was due to mature in June 2014. Two further deposits of £500k each had been placed at 1.1% for six months and 0.9% for three months and were due to mature in January 2014 and October 2013 respectively. The Academy treasury management policy allows investment in a small number of institutions that are assessed as high quality counterparties and during 2013/14 more work is planned in order to minimise risk and maximise returns with these approved institutions.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2013**

PLANS FOR FUTURE PERIODS

The Academy primary focus in 2013/14 is to ensure its students make further progress and achieve high degrees of success in their exams. Notably it is targeting that at least 60% of our students will achieve 5 GCSEs at A* to C including English and mathematics and that we will have closed the attainment gap between those students eligible for free school meals and those from more well off backgrounds. Other targets we have set include

- Sixth form students achieving 75% A*-C at A level and 60% A-C at AS level
- 70% and 75% of students will have made the expected level of progress in English and mathematics at Key Stage 4 and Key Stage 3 respectively
- Improving student attendance for all year groups and overall in order that it is equal to or above the national average (94.3%)
- Reducing the number of permanent and fixed term exclusions and removals from lessons
- Raising the quality of teaching significantly in order that 75% of lessons are assessed at good or better and none are considered inadequate
- Raising the quality of teaching English as an additional language
- Establishing a rigorous system of performance management and appraisal that is informed by outcomes
- Putting in place a sustainable budget plan that addresses the forecast medium term budget gap

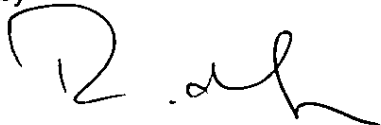
AUDITOR

In so far as the governors are aware

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

The appointment of the current auditors, Lovewell Blake LLP, was made following a competitive process concluded in December 2010. The appointment is for a period of one year, renewable annually at the discretion of the governors. A formal competitive tender will be undertaken at least every five years.

Approved by order of the members of the Governing Body on 13 December 2013 and signed for and on their behalf by



Mrs Rachel De Souza, Chair of Governors

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

GOVERNANCE STATEMENT

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that the Thetford 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements assigned to it in the Funding Agreement between the Thetford Learning Trust and the Secretary of State for Education. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control. With effect from 25 October 2013 the newly appointed Executive Principal assumed all the responsibilities of the Principal role, including those of Accounting Officer.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors Responsibilities. The Governing Body has met 8 times during the year. Attendance during the year as meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
D Lawrence (Chair)	8	8
C Oakes (Vice Chair)	8	8
G Boyd	5	8
M Chapman-Allen (resigned May 2013)	4	7
M Foreman	7	8
M Gibbins (Responsible Officer)	6	8
M Green (appointed December 2012)	5	5
C Haggett	7	8
D Humphrey (resigned December 2012)	1	2
K King (appointed December 2012)	4	5
M Roffe	7	8
P Rout	3	8
C Spillane (Principal and Accounting Officer)	8	8
EA Williams	5	8

Details of governors attendance at committees during 2012/13 are as set out on the next page

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

GOVERNANCE STATEMENT

Audit & Risk Committee

Governor	Meetings attended	Out of a possible
M Gibbins (Chair)	3	3
M Green	1	1
M Chapman-Allen	2	2
C Oakes	3	3
P Rout	1	3
EA Williams	2	3

Curriculum, Safeguarding, Standards and Student Matters Committee *

Governor	Meetings attended	Out of a possible
EA Williams (Chair)	2	3
G Boyd	3	3
M Green	1	1
M Foreman	2	3
D Humphrey	2	2
S Mitchell	2	2
C Spillane	3	3

* The committee was replaced towards the end of the year by two new committees Both met only once with attendance as follows

Curriculum and Standards Committee - attended by C Oakes, M Gibbins, K King and M Green

Student Attendance, Behaviour and Safeguarding Committee - attended by M Foreman, C Haggett and C Spillane

Resources Committee

Governor	Meetings attended	Out of a possible
M Roffe (Chair)	6	6
C Haggett	6	6
K King	4	4
D Lawrence	1	4
C Oakes	2	2
P Rout	1	5
C Spillane	6	6

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

GOVERNANCE STATEMENT

Staff Committee

Governor	Meetings attended	Out of a possible
D Lawrence (Chair)	8	9
G Boyd	7	9
M Foreman	1	1
C Oakes	9	9
C Spillane	9	9

Action Plan Monitoring Committee

Governor	Meetings attended	Out of a possible
D Lawrence (Chair)	2	2
G Boyd	2	2
C Oakes	2	2
C Spillane	2	2

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

GOVERNANCE STATEMENT

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 the 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 for the Thetford Academy for the year ended 31 August 2013 and included a programme of visits and checks being carried out by the Responsible Officer with findings reported to governors.

The Academy is committed to ongoing review and development of its control framework. Recent changes introduced following the change in Academy sponsorship include:

- i) A review and update of the Academy Finance Manual to take into account the requirements set out in the latest Academies Financial Handbook and to tighten some of the financial delegations in view of the increasing financial constraints facing the Academy.
- ii) Changes to the Governing Body Committee structure. A more streamlined structure comprising Finance and General Purposes, Curriculum and Standards and Audit and Risk committees was put in place with effect from September 2013.
- iii) Establishing Finance Workshop meetings in order for governors to scrutinise and challenge the medium term savings plans.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

GOVERNANCE STATEMENT

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 or are being 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 ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body through its Audit and Risk Committee. The change in Academy sponsorship seeks to provide additional capacity to the Governing Body in managing risk.

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:

- i) Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed, and agreed as appropriate, by the Governing Body,
- ii) Regular reviews by the Finance and General Purposes (previously Resources) Committee of reports which indicate financial performance against budgets and of major purchase plans, capital works and expenditure programmes,
- iii) Regular review by the Finance and General Purposes (previously Resources) Committee of medium term financial projections and the development of budget plans,
- iv) Setting targets to measure financial and other performance,
- v) A scheme of financial delegations which includes the need for major spending decisions to be considered and approved by the Governing Body before commitments are made
- vi) Internal staff delegations of authority and separation of duties
- vii) A Finance Manual which includes clearly defined purchasing guidelines

The Governing Body

The Governing Body had considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr Michael Gibbins to the Governing Body who fulfils the role of Responsible Officer. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. Mr Gibbins reports the findings of his programme of visits to the Audit and Risk Committee and to the full Governing Body. Audit and Risk Committee is currently considering whether to retain the Responsible Officer role going forward or to introduce alternative means of undertaking such assurance work.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

GOVERNANCE STATEMENT

Review of Effectiveness

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

- the work of the Responsible Officer
- the work of the external auditor
- the financial management and governance self assessment process
- the work of the Senior Leadership Team 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 and has a rolling plan to address any weaknesses identified and ensure continuous improvement of the system is in place. This plan has been reported to the Audit and Risk Committee who monitor progress of delivery against planned actions.

Approved by order of members of the Governing Body on 13 December 2013 and signed on its behalf by



Mrs Rachel De Souza
Chair of Governors



Mr Adrian Ball
Executive Principal and Accounting Officer

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Governing Body 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 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.



Mr Adrian Ball
Executive Principal and Accounting Officer

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

STATEMENT OF GOVERNORS RESPONSIBILITIES

The governors (who act as trustees for charitable activities of The Thetford Learning Trust and are also the directors of the Academy for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the 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 Academy and of the incoming resources and application of resources, including the income and expenditure, of the Academy 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 in 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy 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 Academy applies financial and other controls which conform to the requirements both of prudence and 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 Academy'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 13 December 2013 and signed on its behalf by


Mrs Rachel De Souza
Chair of Governors

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THETFORD LEARNING TRUST, THE
THETFORD ACADEMY**

We have audited the financial statements of Thetford Learning Trust for the year ended 31 August 2013 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 Annual Accounts Direction 2013 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 opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Governors' Responsibilities Statement set out on page 21, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2013, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THETFORD LEARNING TRUST, THE
THETFORD ACADEMY (continued)**

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



DAVID BULLER FCA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

13 December 2013

The Gables
Old Market Street
Thetford
Norfolk
IP24 2EN

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE
GOVERNING BODY OF THETFORD LEARNING TRUST, THE THETFORD ACADEMY AND THE
EDUCATION FUNDING AGENCY**

In accordance with the terms our engagement with The Thetford Learning Trust and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Governing Body 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 the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of The Thetford Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Thetford Learning Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, 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. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and 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 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

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE
GOVERNING BODY OF THETFORD LEARNING TRUST, THE THETFORD ACADEMY AND THE
EDUCATION FUNDING AGENCY (continued)**

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

The work undertaken to draw to our conclusion includes

- Review of minutes of the various committees and sub-committees, management accounts and discussions with key personnel
- Evaluation of the implementation of the internal control procedures, and detailed review of the control environment for any changes or weaknesses
- Review of expense claims and credit card expenditure, to ensure it adheres to internal control procedures and is not for personal benefit
- Review of financial transactions for any unusual transactions which may be improper
- Ensuring that all the activities of the Academy are in keeping with the Academy's framework and charitable objectives
- Ensuring that key staff and governors have declared their interest in related parties and following up with discussions and testing
- Review of related party transactions to ensure that no favourable rates have been applied
- Ensuring expenditure does not contravene the funding agreement
- Ensuring extra-curricular payments for staff have been made in accordance with the Handbook
- Ensuring borrowing agreements, including leases, have been made in accordance with the Handbook
- Ensuring land and building transactions, especially disposals, are in line with the funding agreement and Handbook
- Ensuring that write-offs over 1% of total income or £45,000 (whichever is smaller) have been approved in advance by the Secretary of State
- Ensuring procurement activity is in accordance with Annex 4.4 of Managing Public Money

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE
GOVERNING BODY OF THETFORD LEARNING TRUST, THE THETFORD 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 period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



DAVID BULLER FCA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

13 December 2013

The Gables
Old Market Street
Thetford
Norfolk
IP24 2EN

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2013
(including income and expenditure account)**

	Notes	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2013 £	Total 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	-	-	-	-	1,000
Activities for Generating Funds	4	87,570	-	-	87,570	88,614
Investment income	5	30,279	-	-	30,279	10,541
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	6	-	8,651,685	26,409	8,678,094	10,789,581
TOTAL INCOMING RESOURCES		117,849	8,651,685	26,409	8,795,943	10,889,736
RESOURCES EXPENDED						
Cost of generating funds						
Costs of activities for generating funds	8	106,996	-	-	106,996	83,414
Charitable Activities:						
Academy's educational operations	8	-	8,641,821	124,858	8,766,679	8,769,436
Governance costs	9	-	22,182	-	22,182	24,910
TOTAL RESOURCES EXPENDED	7	106,996	8,664,003	124,858	8,895,857	8,877,760
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		10,853	(12,318)	(98,449)	(99,914)	2,011,976
Gross transfers between funds	16	-	(124,805)	124,805	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		10,853	(137,123)	26,356	(99,914)	2,011,976
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains / (losses) on defined benefit pension schemes	16,26	-	113,000	-	113,000	(383,000)
NET MOVEMENT IN FUNDS		10,853	(24,123)	26,356	13,086	1,628,976
TOTAL FUNDS BROUGHT FORWARD AT 1 SEPTEMBER 2012	16	37,728	691,064	1,782,808	2,511,600	882,624
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2013	16	48,581	666,941	1,809,164	2,524,686	2,511,600

All of the Academy's activities derive from continuing operations during the above two financial periods. A Statement of Total Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities. The notes on pages 30 to 54 form part of these financial statements.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**BALANCE SHEET
Company Number 07300320
AS AT 31 AUGUST 2013**

	Notes	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	13		1,422,709		244,161
CURRENT ASSETS					
Debtors	14	322,884		209,858	
Short term investments		2,500,000		1,500,000	
Cash at bank and in hand		<u>775,673</u>		<u>2,084,770</u>	
			3,598,557		3,794,628
CREDITORS					
Amounts falling due within one year	15	<u>1,900,580</u>		<u>880,189</u>	
NET CURRENT ASSETS			<u>1,697,997</u>		<u>2,914,439</u>
NET ASSETS EXCLUDING PENSION LIABILITY			3,120,686		3,158,600
Pension scheme liability	26		<u>(596,000)</u>		<u>(647,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>2,524,686</u>		<u>2,511,600</u>
FUNDS					
Restricted funds					
General funds	16	1,262,941		1,338,064	
Pension reserve	16, 26	<u>(596,000)</u>		<u>(647,000)</u>	
			666,941		691,064
Fixed asset reserve	16		<u>1,809,164</u>		<u>1,782,808</u>
Total restricted funds			2,476,105		2,473,872
Unrestricted funds			<u>48,581</u>		<u>37,728</u>
TOTAL FUNDS			<u>2,524,686</u>		<u>2,511,600</u>

The financial statements were approved by the Governing Body and authorised for issue on 13 December 2013 and are signed on their behalf by


Mrs Rachel De Souza
Chair of Governors

The notes on pages 30 to 54 form part of these financial statements

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

	Notes	2013 £	2012 £
Net cash outflow from operating activities	20	(63,837)	(1,375,552)
Returns on investments and servicing of finance	21	30,279	10,541
Capital (Expenditure) / income	22	(1,275,539)	1,490,959
(Decrease) / Increase in cash in the year		(1,309,097)	125,948
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		2,084,770	1,958,822
Net funds at 31 August 2013	23	775,673	2,084,770

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES

1.1 Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with the applicable United Kingdom Standards, the Charity Commission "Statement of Recommended Practice Accounting and Reporting by Charities" (SORP 2005), the Academies Accounts Direction issued by Education Funding Agency (EFA) and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going Concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements. For the purposes of these financial statements the governors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future and continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

1.3 Incoming Resources

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

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

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

Donated Services and Gifts in Kind

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

Other Income

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

Interest Receivable

Interest receivable is included in the Statement of Financial Activities on an accruals basis.

1.4 Resources Expended

All 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 that is consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy's educational operations.

- **Governance costs**

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

All resources are inclusive of irrecoverable VAT.

1.5 Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at costs, net of depreciation and any provision for impairment. Assets costing less than £1,000 are written off in the year of acquisition.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

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 the expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and 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 expected useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful economic life, as follows:

Boilers	25 years
Motor vehicles	10 years
Technical equipment	5 to 10 years
Office and general equipment	5 years
Computer software and hardware	3 to 5 years

Enhancement to leasehold buildings is depreciated on the lesser of estimated useful life or the remaining period of the lease.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.6 Leased Assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.7 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore 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.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1.8 Pensions

Retirement benefits to employees of the Academy are provided by the Teacher's 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.

Teachers' Pension Scheme (TPS)

Teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). 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. 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.

Local Government Pension Scheme (LGPS)

Non-teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS). 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 the operating surplus are the current service costs and gains or losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1.9 Fund Accounting

Unrestricted Funds

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

Restricted Fixed Asset Funds

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 Funds

Restricted general funds comprise all other restricted funds received and include grants from the EFA, the Department for Education (DfE) and Norfolk County Council (NCC). Additionally the Academy's share of the Norfolk Pension Fund, which is a part of the Local Government Pension Scheme, is a restricted fund

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2013 on the amounts of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises / capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2013.

3. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Donations - learning resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Contributions to student visits and events	48,304	-	48,304	33,998
Hire of facilities	10,654	-	10,654	17,390
Uniform sales	<u>28,612</u>	<u>-</u>	<u>28,612</u>	<u>37,226</u>
	<u>87,570</u>	<u>-</u>	<u>87,570</u>	<u>88,614</u>

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Bank interest	<u>30,279</u>	<u>-</u>	<u>30,279</u>	<u>10,541</u>

6. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
DfE/EFA Capital Grants				
Devolved formula capital grant	-	26,409	26,409	27,713
Partnerships for School (PfS) - New building ICT capital grant	-	-	-	1,640,000
DfE/EFA Revenue Grants				
General Annual Grant (See Note 2)	-	7,546,746	7,546,746	7,761,804
Start up grants	-	357,519	357,519	767,112
Pupil premium grant funding	-	292,262	292,262	150,366
16-19 bursary fund	-	21,280	21,280	15,200
Other DfE/ EFA revenue grants	-	45,300	45,300	25,600
Other Revenue Grants & Contributions:				
Pupil specific funding	-	110,645	110,645	236,480
Thetford cluster funding	-	109,668	109,668	30,500
One to one tuition funding	-	-	-	30,000
Secondment income	-	5,850	5,850	9,900
Graduate teacher programme	-	32,700	32,700	29,200
Other grants, contributions and income	<u>-</u>	<u>129,715</u>	<u>129,715</u>	<u>65,706</u>
	<u>-</u>	<u>8,678,094</u>	<u>8,678,094</u>	<u>10,789,581</u>

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

7. RESOURCES EXPENDED

	Staff Costs £	Non Pay Premises £	Non Pay - Other £	2013 £	2012 £
Costs of generating voluntary income	-	-	-	-	-
Costs of activities for generating funds	6,635	-	100,361	106,996	83,414
Academy's educational operations					
- Direct costs	5,141,000	-	1,297,277	6,438,277	6,709,436
- Allocated support costs	<u>831,933</u>	<u>564,841</u>	<u>931,628</u>	<u>2,328,402</u>	<u>2,060,000</u>
	5,979,568	564,841	2,329,266	8,873,675	8,852,850
Governance costs	<u>12,174</u>	<u>-</u>	<u>10,008</u>	<u>22,182</u>	<u>24,910</u>
	<u>5,991,742</u>	<u>564,841</u>	<u>2,339,274</u>	<u>8,895,857</u>	<u>8,877,760</u>

	2013 £	2012 £
Incoming/outgoing resources for the year include:		
Operating leases	15,621	9,354
Fees payable to auditor - audit	6,500	6,025
- other services	3,075	2,000
Profit on disposal of fixed assets	<u>1,458</u>	<u>-</u>

8. COST OF GENERATING FUNDS AND CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Direct Costs				
Teaching and educational support staff	-	4,989,382	4,989,382	5,380,943
Other staff related costs	-	151,618	151,618	46,920
Staff development and training	-	36,951	36,951	31,813
Bought in educational professional services	-	114,600	114,600	198,466
Agency staff	-	619,679	619,679	411,351
Teaching resources	-	219,846	219,846	202,309
External courses	-	129,479	129,479	142,390
Examination fees	-	176,722	176,722	163,893
Student uniform	32,045	-	32,045	45,652
Visits and events	<u>52,675</u>	<u>-</u>	<u>52,675</u>	<u>32,015</u>
	<u>84,720</u>	<u>6,438,277</u>	<u>6,522,997</u>	<u>6,655,752</u>

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Support Costs				
Support staff costs	6,635	807,398	814,033	814,563
Other staff related costs	-	24,535	24,535	6,014
Agency staff	-	34,702	34,702	20,556
Bought in professional services	1,219	177,576	178,795	171,421
Recruitment and support	-	95,478	95,478	90,181
Maintenance of premises	-	157,775	157,775	139,145
Cleaning	-	110,958	110,958	100,536
Premises occupancy costs	-	296,108	296,108	239,065
Transport	13,272	31,659	44,931	70,383
ICT hardware and software support	-	151,592	151,592	174,772
Catering	-	134,248	134,248	142,086
Administrative supplies	1,150	100,934	102,084	94,673
Telecommunications	-	14,082	14,082	19,370
Insurance	-	66,499	66,499	59,735
Depreciation	-	124,858	124,858	54,598
	<u>22,276</u>	<u>2,328,402</u>	<u>2,350,678</u>	<u>2,197,098</u>
	<u>106,996</u>	<u>8,766,679</u>	<u>8,873,675</u>	<u>8,852,850</u>

9. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Clerking	-	14,398	14,398	5,160
Governors expenses	-	-	-	122
Audit fees	-	6,500	6,500	6,000
Actuarial review fees	-	550	550	550
Legal fees	-	734	734	13,077
	<u>-</u>	<u>22,182</u>	<u>22,182</u>	<u>24,909</u>

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

10. STAFF COSTS

Staff costs during the period were

	2013	2012
	£	£
Wages and salaries	4,765,151	5,134,248
Social security costs	356,224	381,580
Pension costs	632,214	688,678
FRS17 pension costs	<u>62,000</u>	<u>(7,000)</u>
	5,815,589	6,197,506
Travel and subsistence	13,321	13,095
Compensation payments	<u>162,832</u>	<u>39,839</u>
	<u>5,991,742</u>	<u>6,250,440</u>

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

	2013	2012
	Number	Number
Teachers	83	82
Educational support and administrative	<u>87</u>	<u>92</u>
	<u>170</u>	<u>174</u>

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

The number of employees whose remuneration fell within the following bands

	2013 Number	2012 Number
£60,001 - £70,000	3	3
£70,001 - £80,000	1	-
£100,001 - £110,000	1	1

Four of the above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2013 employer pension contributions for these staff amounted to £44,123 (2012 £29,855). The other employee participated in the Local Government Pension Scheme with employer pension contributions amounting to £9,372 (2012 £9,267).

11. GOVERNOR'S REMUNERATION AND EXPENSES

The Principal and staff governors only received remuneration in respect of services they provide in undertaking the roles of Principal and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration was as follows:

C Spillane (Principal and ex officio governor)	£105,001 - £110,000 (2012 £100,001 - £105,000)
M Green (Staff governor)	£30,001 - £35,000 (2012 not applicable as appointed governor in December 2012)
C Haggett (Staff governor)	£5,001 - £10,000 (2012 £5,001 - £10,000)

During the year ended 31 August 2013 no travel and subsistence expenses were paid to governors in respect of their role as governors. Expenses totalling £122 were reimbursed in 2012. Related party transactions involving governors are set out in note 27.

12. GOVERNOR'S AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides maximum cover up to £1,000,000 on any one claim. The policy is a part of a combined insurance package so the precise costs of this element cannot be determined. The cost of this insurance is included in the total insurance cost.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

13. TANGIBLE FIXED ASSETS

	Land and Buildings £	Motor Vehicles £	Furniture and equipment £	Computer equipment and software £	Total £
Cost					
At 1 September 2012	-	23,200	68,560	231,938	323,698
Additions	42,047	-	164,636	1,098,265	1,304,948
Disposal	-	(3,000)	-	-	(3,000)
At 31 August 2013	<u>42,047</u>	<u>20,200</u>	<u>233,196</u>	<u>1,330,203</u>	<u>1,625,646</u>
Depreciation					
At 1 September 2012	-	7,109	22,690	49,738	79,537
Charged in the year	149	4,596	16,986	103,127	124,858
Disposals	-	(1,458)	-	-	(1,458)
At 31 August 2013	<u>149</u>	<u>10,247</u>	<u>39,676</u>	<u>152,865</u>	<u>202,937</u>
Net Book Value					
At 31 August 2013	<u>41,898</u>	<u>9,953</u>	<u>193,520</u>	<u>1,177,338</u>	<u>1,422,709</u>
At 31 August 2012	<u>-</u>	<u>16,091</u>	<u>45,870</u>	<u>182,200</u>	<u>244,161</u>

All assets are used for educational purposes. During the year the Academy leased two sites, at Croxton Road and Staniforth Road, Thetford, from Norfolk County Council for a peppercorn rent.

The Academy has an occupational licence to occupy the premises at Croxton Road with a provision that it will enter into a 125 year long lease of both the newly developed premises and other parts of the school following final completion of the building works. The agreement came into force on 27 February 2012 and will not end until either the main design and build contract between Balfour Beatty and Norfolk County Council is terminated or, as expected, on a date when the novation agreement between the contractor, the Academy and Norfolk County Council comes into effect. This will be when the making good of defects certification process has been completed.

The lease agreement for the Academy Staniforth Road site was originally for a five year period which commenced on 1 September 2010. The Academy and Norfolk County Council agreed to terminate this lease on 31 August 2013.

As the remaining lease agreement is short term, and risks and rewards have not all been substantially transferred to the Academy as at 31 August 2013, in accordance with SSAP 21 and FRS5 it is not considered appropriate to recognise these assets on the balance sheet of the Academy.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

14. DEBTORS

	2013	2012
	£	£
Trade debtors	5,202	43,213
Prepayments and accrued income	160,858	70,336
VAT	<u>156,824</u>	<u>96,309</u>
	<u>322,884</u>	<u>209,858</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	452,875	265,501
Taxation and social security	113,715	114,934
Accruals and deferred income	<u>1,333,990</u>	<u>499,754</u>
	<u>1,900,580</u>	<u>880,189</u>

Deferred Income

	2013	2012
	£	£
Deferred income as at 1 September 2012	38,464	50,257
Resources deferred in the year	14,894	38,464
Amounts released from previous years	<u>(38,464)</u>	<u>(50,257)</u>
Deferred income as at 31 August 2013	<u>14,894</u>	<u>38,464</u>

At the balance sheet date the Academy was holding funds received in advance in respect of devolved capital grant that is allocated to the Academy based on a 1 April to 31 March financial year

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

16. FUNDS

	Balance At 1 September 2012 £	Incoming Resources £	Resources expended £	Gains/ (Losses) and Transfers £	Balance At 31 August 2013 £
Restricted Funds					
General Annual Grant	837,757	7,546,746	(7,461,849)	(62,805)	859,849
Start up grant (a)	399,740	19,610	(191,005)	-	228,345
Start up grant (b)	-	337,909	(192,000)	-	145,909
Pupil premium grant funding	79,558	292,262	(359,420)	-	12,400
16-19 bursary fund	6,477	21,280	(15,169)	-	12,588
Other DfE / EFA grants	-	45,300	(45,300)	-	-
Other restricted funds	<u>14,532</u>	<u>388,578</u>	<u>(399,260)</u>	<u>-</u>	<u>3,850</u>
	1,338,064	8,651,685	(8,664,003)	(62,805)	1,262,941
Restricted Pension Reserve	<u>(647,000)</u>	<u>-</u>	<u>-</u>	<u>51,000</u>	<u>(596,000)</u>
	<u>691,064</u>	<u>8,651,685</u>	<u>(8,664,003)</u>	<u>(11,805)</u>	<u>666,941</u>
Restricted Fixed Asset Funds					
Devolved formula capital grants	83,369	26,409	(19,082)	-	90,696
Lead in grant – capital	28,920	-	(19,048)	-	9,872
Donations – capital	5,333	-	(2,167)	-	3,166
PfS – New building ICT capital grant	1,637,868	-	(70,233)	-	1,567,635
Funded from General Annual Grant	-	-	(1,939)	124,805	122,866
Capital assets inherited	<u>27,318</u>	<u>-</u>	<u>(12,389)</u>	<u>-</u>	<u>14,929</u>
	<u>1,782,808</u>	<u>26,409</u>	<u>(124,858)</u>	<u>124,805</u>	<u>1,809,164</u>
Total restricted funds	<u>2,473,872</u>	<u>8,678,094</u>	<u>(8,788,861)</u>	<u>113,000</u>	<u>2,476,105</u>
Total unrestricted funds	<u>37,728</u>	<u>117,849</u>	<u>(106,996)</u>	<u>-</u>	<u>48,581</u>
Total funds	<u>2,511,600</u>	<u>8,795,943</u>	<u>(8,895,857)</u>	<u>113,000</u>	<u>2,524,686</u>

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

The General Annual Grant (GAG) has been provided by the EFA/DfE in order to fund the normal running costs of the Academy. During the year the Academy's GAG income exceeded GAG expenditure and the balance will be carried forward and used in future years as it manages the prospect of reducing incoming resources in 2013/14 and the medium term. Under the funding agreement with the Secretary of State the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

Start Up Grants have been provided by the EFA/DfE for a limited period to cover additional temporary costs that occur in the period after an Academy opens. Start up grant (a) is provided to provide for resources such as expenditure on stocks of teaching and learning materials. Start up grant (b) is to cover the diseconomies of scale associated with opening the Academy with less than targeted student numbers.

Pupil premium grant was introduced by the DfE from April 2011. It has been provided with the aim of addressing underlying inequalities between children eligible for free school meals (FSM) and their wealthier peers. It is for schools to decide how the funding is used to raise the levels of attainment of disadvantaged pupils. From September 2012 to March 2013 funding of £623 per pupil for pupils eligible for free school meals (FSM) at any point in the last six years and for pupils in care who have been continuously looked after for six months was provided. With effect from April 2013 the sum per pupil increased to £900.

The 16-19 bursary fund provides assistance to students whose access to, or completion of, education is inhibited by financial constraints or barriers. It is the Academy's responsibility to set up and administer a bursary scheme and its policy sets the criteria for those students eligible for financial assistance.

Other DfE/EFA grants relate to student catch up funding as well as grants for PE tuition and a LGPS pensions actuarial report.

Other restricted funds include pupil specific funding provided by Norfolk County Council (NCC) to fund those pupils identified as needing additional educational support. This funding ended on 31 March 2013. Other funding includes provision from the Thetford cluster to assist disadvantaged students, from NCC to assist the Academy develop its special educational needs strategy and funding linked to specific staff costs incurred such as those relating to the graduate teacher programme. The balance held as at 31 August 2013 represents a £3,850 energy reduction grant that will be applied in 2012/13.

The restricted pension reserve represents the deficit on the Academy's share of the Local Government Pension Scheme as at 31 August 2013.

Restricted fixed assets funds include the net value of Partnership for Schools ICT funding for the Academy new building project after depreciation charges. In addition it includes net funding relating to devolved formula capital grants provided by the EFA/DfE for the cost of minor works and ICT capital replacement, lead in grant for the purchase of capitalised equipment, the depreciated value of a vehicle donated by West Suffolk College, the net value of capital assets inherited from the predecessor schools after depreciation and the value of capital investment funded from GAG in 2012/13 as a part of the new building project which includes a contribution to the costs of the auditorium floor, bleacher seating, fitness equipment, a new greenhouse and classroom reconfigurations.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Funds balances at 31 August 2013 are represented by

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets Funds £	2013 £
Tangible Fixed Assets	-	-	1,422,709	1,422,709
Current Assets	48,581	2,051,413	1,498,563	3,598,557
Current Liabilities	-	(788,472)	(1,112,108)	(1,900,580)
Pension Scheme Liability	-	(596,000)	-	(596,000)
Total	<u>48,581</u>	<u>666,941</u>	<u>1,809,164</u>	<u>2,524,686</u>

18. CAPITAL COMMITMENTS

As at 31 August 2013 the Academy had the following contracted capital commitments. These represented commitments contracted for, but not provided in the financial statements as goods or services had not been delivered as at that date

	2013 £	2012 £
Boiler replacement programme	-	37,890
Computer equipment and software	<u>377,728</u>	<u>1,508,094</u>
	<u>377,728</u>	<u>1,545,984</u>

19. FINANCIAL COMMITMENTS

Operating Leases

As at 31 August 2013 the Academy had annual commitments under operating leases as follows

	2013 £	2012 £
Office equipment		
Expiring within one year	1,885	3,304
Expiring within two to five years inclusive	6,656	5,380
Expiring in over five years	-	<u>1,664</u>
	<u>8,541</u>	<u>10,348</u>

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

20. RECONCILIATION ON NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net (expenditure) / income	(99,914)	2,011,976
Depreciation (note 14)	124,858	54,598
Profit on sale of fixed assets (note 13)	(1,458)	-
Capital grants and other capital income	(26,409)	(1,667,713)
Interest receivable (note 5)	(30,279)	(10,541)
FRS 17 pension cost less contributions payable (note 26)	49,000	(11,000)
FRS 17 pension finance cost (note 26)	13,000	4,000
(Increase) / decrease in debtors	(113,026)	210,229
(Increase) in short term investments	(1,000,000)	(1,500,000)
Increase / (decrease) in creditors	<u>1,020,391</u>	<u>(467,101)</u>
Net cash outflow from operating activities	<u>(63,837)</u>	<u>(1,375,552)</u>

21. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

Interest received	<u>30,279</u>	<u>10,541</u>
Net cash inflow from returns on investments and servicing of finance	<u>30,279</u>	<u>10,541</u>

22. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

Purchase of tangible fixed assets	(1,304,948)	(176,754)
Capital grants	26,409	1,667,713
Receipts from sale of tangible fixed assets	<u>3,000</u>	<u>-</u>
Net cash inflow from capital expenditure and financial investment	<u>(1,275,539)</u>	<u>1,490,959</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2012 £	Cashflows £	At 31 August 2013 £
Cash in hand and at bank	<u>2,084,770</u>	<u>(1,309,097)</u>	<u>775,673</u>

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

24. CONTINGENT LIABILITIES

The Academy had no contingent liabilities as at 31 August 2013

25. MEMBERS LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of its 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

26. PENSION AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non teaching staff, which is managed by Norfolk Pension Fund Both are defined-benefit schemes

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

Contributions amounting to £79,558 were payable to the schemes at 31 August 2013 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) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic to for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Pension and Similar Obligations

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of $1/57^{\text{th}}$, 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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40/80/100% basis.

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.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

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 2013 was £295,000 of which employer's contributions totalled £219,000 and employees' contributions totalled £76,000. The planned employer contribution rate until March 2017 is 15.0% of pensionable pay plus a flat payment of £2,250 per month in 2013/14 rising in incremental steps to £5,833 per month by 2016/17. Employee contribution rates within the LGPS scheme range from 5.5% to 7.5% depending on the level of pay.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of an 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

	As at 31 August 2013	As at 31 August 2012
Rate of increase in salaries	5.1%	4.5%
Rate of increase for pensions in payment/inflation	2.8%	2.2%
Discount rate for scheme liabilities	4.6%	4.1%
Expected return on assets	5.1%	4.8%

Salary increases are assumed to be 1% per annum until 31 March 2015 reverting to the long term assumption shown thereafter.

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre April 2008 service and 75% of the maximum tax-free cash for post April 2008 service.

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

	As at 31 August 2013	As at 31 August 2012
Current Pensioners		
Males	21.2	21.2
Females	23.4	23.4
Future Pensioners		
Males	23.6	23.6
Females	25.8	25.5

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected Return at 31 August 2013	Fair value at 31 August 2013 £'000	Expected Return at 31 August 2012	Fair value at 31 August 2012 £'000
Equities	6.6%	1,727	5.5%	1,272
Bonds	4.1%	515	3.6%	417
Property	4.7%	283	3.7%	239
Cash	3.6%	<u>52</u>	2.8%	<u>60</u>
Total Market Value of Assets		2,577		1,988
Present value of scheme liabilities – funded		<u>(3,173)</u>		<u>(2,635)</u>
Deficit in scheme		<u>(596)</u>		<u>(647)</u>

The return on the Fund in market value terms for the period to 31 August 2013 is estimated by the appointed actuary based on actual fund returns as provided by the Administering Authority and index returns where necessary. Details are as follows:

Actual returns from 1 October 2012 to 30 June 2013	11.3%
Total returns from 1 September 2012 to 31 August 2013	13.8%

The actuary estimates that the scheme liabilities comprise of approximately £3,152,000, £0 and £21,000 in respect of employee members, deferred pensioners and pensioners respectively as at 31 August 2013. The approximation involved in the roll forward model means that the split of liabilities between the classes of members may not be reliable for certain types of employer. However, the actuary is satisfied that the approach used leads to reasonable estimates for the aggregated liability figure.

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

Amounts recognised in the statement of financial activities

	2013 £'000	2012 £'000
Current service cost (net of employee contributions)	268	226
Past service costs	<u>-</u>	<u>-</u>
Total operating charge	<u>268</u>	<u>226</u>

Analysis of pension finance income/(costs)

	2013 £'000	2012 £'000
Expected return on pension scheme assets	102	102
Interest on pension liabilities	<u>(115)</u>	<u>(106)</u>
Pension finance income/(costs)	<u>(13)</u>	<u>(4)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. Gains of £51,000 were made during 2012/13 (losses of £383,000 in 2011/12) to set against the LGPS liability of £647,000 as at 31 August 2012.

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

	2013 £'000	2012 £'000
As at 1 September	2,635	1,807
Current service cost	268	226
Interest cost	115	106
Contributions by members	76	84
Actuarial losses/(gains)	79	412
Past service costs	<u>-</u>	<u>-</u>
As at 31 August	<u>3,173</u>	<u>2,635</u>

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

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

	2013 £'000	2012 £'000
As at 1 September	1,988	1,536
Expected return on assets	102	102
Actuarial gain	192	29
Employer contributions	219	237
Member contributions	<u>76</u>	<u>84</u>
As at 31 August	<u>2,577</u>	<u>1,988</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £221,000

The history of expenditure adjustments is as follows

	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	(3,173)	(2,635)	(1,807)
Fair value of share of scheme assets	<u>2,577</u>	<u>1,988</u>	<u>1,536</u>
Deficit in the scheme	<u>(596)</u>	<u>(647)</u>	<u>(271)</u>

**THETFORD LEARNING TRUST
THE THETFORD ACADEMY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

27. RELATED PARTIES

Owing to the nature of the Academy's operations and composition of the members of the Governing Body being drawn from a number of local public and private sector organisations, transactions are likely to take place with organisations in which a governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. Notably the Academy purchased college courses from two of its Sponsors, Easton College and West Suffolk College during 2012/13 for the benefit of its students. In addition it purchases a range of specialist technical, teaching and support services from Norfolk County Council.

The total value of transactions, excluding VAT when applicable, during the year was as follows.

Easton College	£17,345 (£11,258 in 2011/12)
Norfolk County Council	£92,861 (£111,708 in 2011/12)
West Suffolk College	£91,600 (£96,518 in 2011/12)
Wymondham College	£1,037 (£1,181 in 2011/12)

In addition it received

£34,689 from Norfolk County Council, the majority of which was sponsorship funding to assist the Academy develop its special educational needs strategy (£1,517 in 2011/12)

£3,925 from the Thetford Free School for sales, the majority of which related to the sales of an Academy minibus. Two of the Academy governors are trustees of the Free School.

28. EVENTS AFTER THE BALANCE SHEET DATE

On 4th September 2013 members of the Thetford Learning Trust agreed a special resolution that amended the company articles of association. As a result the Inspiration Trust, a company limited by guarantee, became the sponsor of the Academy to replace the previous sponsors.

In October 2013 the Employment Tribunal notified the Academy that claims had been made against it by the ALT and NASUWT unions regarding the change in sponsorship. The claimants argue that when the Inspiration Trust became the sponsor of the Academy that constituted a relevant transfer for the purposes of the Transfer of Undertakings (Protection of Employees) Regulations 2006 (TUPE). The Thetford Learning Trust is defending the claim being of the view that no TUPE transfer has taken place.