

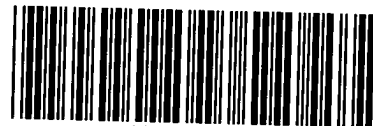
Registered number: 08850163

Delce Academy
(A company limited by guarantee)

Trustees' report and financial statements

For the period 17 January 2014 to 31 August 2014

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Delce Academy
(A company limited by guarantee)

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Reference and administrative details of the Academy, its trustees and advisers
For the period ended 31 August 2014

Members

Rev H Burn (appointed 17 January 2014)
Mrs S Burt (appointed 1 September 2014)
Miss J Gundry (appointed 17 January 2014)
Mr B Hampton (appointed 17 January 2014)
Mr R King (appointed 17 January 2014)

Trustees

Mrs S Burt, Chair of Trustees (appointed 17 January 2014)⁴
Mr B Hampton, Vice Chair of Trustees (appointed 17 January 2014)
Mrs S Baker-Pearce (appointed 1 April 2014)^{2,4}
Miss L Banks (appointed 17 January 2014, resigned 4 February 2014)
Mr B Frost (appointed 17 January 2014, resigned 1 April 2014)
Mrs J Hughes (appointed 17 January 2014)^{2,5}
Mrs C Kempster (appointed 1 April 2014)^{2,5}
Mr R King (appointed 17 January 2014)⁴
Mrs J Knight (appointed 17 January 2014)¹
Mr C McCann (appointed 17 January 2014)⁵
Ms K White, Principal (appointed 17 January 2014)
Mr S Calvert (appointed 20 November 2014)^{3,4}

- ¹ Staff Governor
- ² Parent Governor
- ³ Co-opted Governor
- ⁴ Resources Committee member
- ⁵ Curriculum and Achievement Committee member

Company registered number

08850163

Principal and registered office

Delce Academy
The Tideway
Rochester
Kent
ME1 2NJ

Company secretary

Prima Secretary Limited

Senior leadership team

Ms K White, Principal
Mrs J Knight, Business Manager
Mr C Frost, Head of Lower School
Mrs C Webb, Head of Upper School
Miss K Lacey, Inclusions Manager
Mrs J Allen, Senior Leader Maths, Teaching & Learning
Mrs A Duncan, Bridge Manager

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Reference and administrative details of the Academy, its trustees and advisers
For the period ended 31 August 2014

Administrative details (continued)

Independent auditor

Reeves & Co LLP
Statutory Auditor
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

Barclays Bank plc
263-265 High Street
Chatham
Kent
ME4 4BZ

Solicitors

Bond Dickenson LLP
One Trinity
Broad Char
Newcastle-Upon-Tyne
NE1 2HF

Delce Academy
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Trustees' report
For the period ended 31 August 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) hereby present their annual report together with the audited financial statements and Auditor's report of Delce Academy (the Academy) for the period from 17th January 2014 to 31 August 2014. The Trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operates an Academy for pupils aged 7 to 11 serving the catchment area across the Medway Towns.

Structure, governance and management

a. Constitution

Delce Academy was incorporated on 17th January 2014 as a company limited by guarantee Company Registration Number; 08850163 and an exempt charity. The Company's primary governing documents are its Memorandum and Articles of Association. The Trust was established as a Single Academy Trust with the only member being the former Delce Junior School although it was the express wish of the Trustees to seek multi-Academy status at an appropriate future opportunity.

b. 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.

c. Trustees' indemnities

Subject to the provisions of the Companies Act 2006, the Academy maintains Directors' and Officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them in their capacity as Directors of the Academy.

d. Method of recruitment and appointment or election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The Articles of Association require that the Members may appoint up to nine Trustees through such process as they may determine.

The total number of Trustees (including the Principal) who are employees of the Academy Trust must not exceed one third of the total number of Trustees.

Parent Governors are elected by parents of pupils registered at the Academy. A Parent Governor must be a parent of a pupil at the Academy when they are elected. The arrangements made for the election of Parent Governors will provide for every person who is entitled to vote in the election to have an opportunity to do so by post or if she/he prefers, having their ballot paper returned to the Academy Trust by a registered pupil at the Academy.

The Trustees may appoint co-opted Trustees. Co-opted Trustees are persons appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed.

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Trustees' report (continued)
For the period ended 31 August 2014

The term of office for any Trustee is four years except for the Principal who will remain a Trustee so long as they remain Principal and the Staff Trustee who will serve a two year term. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

e. Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Governors will depend on their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with the appropriate policies and documents they will need in order for them to undertake their role as a Governor, these include, but are not limited to, the current Financial Handbook and the Academy's Governance Handbook. As there are normally only one or two new Governor's in a year, induction will be done informally and tailored specifically to the individual. Advantage will be taken of any relevant specific training opportunities offered by appropriate bodies.

f. Organisational structure

Trustees have overall responsibility for the successful delivery of the Academy's aims and objectives by setting the strategic direction and policies of the Academy, overseeing and adopting annual plans, budgets and targets, monitoring the effective management of the Academy's finances and resources and ensuring that the quality of teaching and learning results in appropriate levels of attainment.

The Governing Body is comprised of the Principal and Trustees and is divided into the following committees, panels and working groups;

- Curriculum and Achievement Committee
- Resources Committee
- Principal Performance Management Panel
- Pay Panel
- Pay Appeals Panel
- Policy Review Working Group

The Principal is responsible to the Governing Body for following the strategic direction set by Trustees, for implementing the Academy's agreed policies and for ensuring the delivery of excellent teaching and learning that results in appropriate achievement.

The Principal is supported in this responsibility by the Senior Leadership Team. All members of the Senior Leadership Team are qualified and experienced in their individual fields. The aim of the management structure is to encourage involvement in decision making at all levels.

The Senior Leadership Team of the Academy are;

Principal - Ms K White
Head of Upper School - Mrs C Webb
Head of Lower School - Mr C Frost
Inclusions Leader - Miss K Lacey
Senior Leader Mathematics / Teaching & Learning - Mrs J Allen
Bridge Manager - Mrs A Duncan
Business Manager - Mrs J Knight

The Principal is the Academy Accounting Officer.

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Trustees' report (continued)
For the period ended 31 August 2014

g. Risk management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks as follows;

- Risk to the Academy's future viability from market forces (pupil numbers, competitors, staffing levels);
- Changes in management affecting strategic direction;
- Reductions to Government Funding.

These risks together with the risk of fraud, damage to the buildings and other areas of risk have been reviewed by Trustees and procedures are in place for managing these risks.

h. Principal activities

The principal activity of the Academy is specifically restricted to the following: 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 in, managing and developing a school offering a broad and balanced curriculum.

Objectives and Activities

a. Objects and aims

The aim of the Academy Trust is to lead an excellent school, offering a broad and balanced curriculum and achieving excellent results through the provision of an excellent education.

b. Objectives, strategies and activities

The School has been consistently successful over a number of years achieving high educational standards with continuous improvement in a number of areas. We have successfully launched a special support unit for children which has been made available to other schools.

The main objectives of the Academy Trust are;

- To raise the standard of educational achievement of all pupils;
- To ensure every child enjoys high quality teaching, resourcing and care;
- To improve effectiveness by keeping the curriculum and organisational structure under continuous review;
- Provide value for money for the fund expended;
- Comply with statutory and national curriculum requirements;
- Maintain close links with other local schools and the local community.

Future plans centre around taking advantage of our Academy status to deepen our relationships with neighbouring schools and to broaden our involvement in the community by making our premises available for activities of an educational or community nature.

The priorities for the Academy Trust are;

- To continue to improve standards of attainment and progress to national levels, as a minimum;
- To ensure all pupil groups achieve equally well, with particular regard to disadvantaged pupils, ensuring pupil premium funding is highly impactful;
- To ensure PE funding is used to raise awareness of healthy life styles, ensure all pupils have high quality first teaching in PE and to improve the engagement of pupils in competitive sport both within school and with the wider school community;

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Trustees' report (continued)
For the period ended 31 August 2014

- To ensure high quality systems of assessment are used to inform teachers and parents about the next steps for our pupils, maximising their progress over Key Stage 2.
- To ensure policy, practise, support and challenge in school supports the school's pupils to achieve the new national targets in 2016;
- To ensure the school embraces the new National Curriculum requirements within its positive creative curriculum, benefitting all pupil groups in school and ensuring all pupils, irrespective of faith or ethnic background, understand and value British values;
- To ensure all pupils are safeguarded, learn to keep themselves safe in our technologically changing world and understand and respect diversity;
- To continue to develop leadership capacity at all levels in school to support our own growth as well as supporting other schools within our local community.

c. Activities for achieving objectives

In order to achieve these objectives, the Academy Trust will;

Attainment and Achievement

- Develop teachers' understanding and skills in providing challenge and support for key focus groups;
- Develop teachers' understanding and skills to plan key focus groups;
- Develop teachers' understanding and skills at teaching focus groups within lessons to accelerate learning in lessons.

Quality of Provision

- Personalise learning for key groups within school, based on school performance data.

Teaching and Learning

- Continue to develop high quality teaching and learning standards throughout the school, with a clear focus on professional development for all staff;
- Effectively induct new staff into the profession/school;
- Continue to develop SMSC in school to develop children as reflective, resilient, responsible life-long learners.

Pupil Welfare

- Ensure pupil premium is used to remove the disadvantage gap;
- Support the emotional, social and behavioural development of all pupils, with particular focus on our most vulnerable groups;
- Continue to develop parental engagement in learning, raising aspirations for pupils and their families;
- Ensure pupils have a good understanding of healthy lifestyles, ensuring that they can keep themselves healthy and safe, achieve excellent educational outcomes which support their ambitions;

Curriculum

- Implement the new National Curriculum within our creative curriculum, with an initially focus on mathematics and SPAG;
- Develop an effective assessment policy, using formative and summative data to best inform teaching and learning.

Leadership and Governance

- Continue to develop understanding and use of data in school, by all, so that support and challenge is tightly focussed on areas for improvement;
- Continuing to develop middle leaders to enhance leadership capacity in school at all levels;
- Share good practice with other schools through consortium, learning community groups, involvement in teaching schools, NCETM projects and links with teacher training (schools direct, Goldsmiths, University of London);
- Continue to provide development opportunities for governors based on skills audit.

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Trustees' report (continued)
For the period ended 31 August 2014

d. Public benefit

In setting the objectives and planning activities Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and are satisfied that these aims and objectives are clearly for the public benefit.

Strategic report

Achievements and performance

a. Going concern

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

b. Key financial performance indicators

The Academy uses a number of financial key performance indicators to monitor the financial success of the Academy and progress improvement against targets set.

Staffing costs are monitored as a percentage of total income. For the period ended 31 August 2014 staffing costs amounted to 71.7% of total income excluding transfers on conversion.

The Academy also monitors its operating surplus/(deficit) as a percentage of total income. For the period ended 31 August 2014 the operating surplus/(deficit) equated to (0.2)% of total income.

The Academy also uses a number of non-financial performance indicators to monitor its performance, these include;

- The combined attainment in reading, writing, SPAG and Maths at level 4+ was 71%;
- Whole school progress in Maths was 87%;
- Whole school progress in writing was 92%;
- Overall pupil attendance rates – for the period ended 31 August attendance was 95.7%.

c. Review of activities

There are currently 415 pupils on role at the Academy and this figure is forecast to increase to 450 in 2015 and 500 in 2016.

Test results for 2014 were pleasing, showing the impact of educational school improvement currently being undertaken. The school performed better than the predicted levels, with pupil premium children meeting at least national Pupil Premium levels. Gaps in performance continue to reduce. Rigorous performance management and highly focused school improvement drive are impacting positively on children's outcomes.

Regular reporting to Trustees by the Principal and Senior Leadership Team satisfy Trustees that the Academy is developing well and in line with the targets established. The Senior Leadership Team is continuing to focus on further improvement in Mathematics along with the development of assessment systems for life with levels and implementing the new national curriculum through the Academy's creative curriculum. Improvement in teaching and learning, using data to focus on underperforming groups, is benefiting all pupils in school with regards standards. Our highly inclusive ethos ensures all pupils are making good progress.

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Trustees' report (continued)
For the period ended 31 August 2014

d. Investment policy and performance

The Trustees do not have a formal investment policy except that no speculative or other investments which may place the Academy funds at unnecessary risk should be made. Trustees have agreed that surplus funds may be placed in fixed term deposit accounts at recognised UK clearing banks.

Financial review

On conversion to Academy status on 1 April 2014, the assets and liabilities at the date of conversion were transferred to the Academy. The balances transferred from the Local Authority are detailed in note 21 totalling £6,287,710.

During the period to 31 August 2014 total income, including capital income was £7,151,447 of which £134,379 was unrestricted income.

Income of £6,441,079 related to the school's buildings that were donated to the Academy by the predecessor school is included in the Restricted Fixed Asset Fund. The opening Local Government Pension Scheme (LGPS) liability inherited on conversion was £239,000.

Total expenditure for the period to 31 August 2014 was £868,443 of which:

- Employee costs of £619,715 represented 71.4% of total expenditure
- Premises Related costs of £36,169 represented 4.2% of total expenditure
- Educational supplies and services of £58,899 represented 6.8% of total expenditure.

The operating deficit excluding pension reserve adjustments and transfers upon conversion for the period ended 31 August 2014 was £4,696.

a. Principal risks and uncertainties

Trustees have a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and IT.

b. Reserves policy

Trustees continually monitor the reserves of the Academy. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and the nature of reserves.

The Trustees have not set a minimum level of reserves but seek to maintain a level where there is sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies or urgent maintenance requirements.

The Academy maintains a pensions reserve fund which represents the Academy's share of the LGPS fund surplus or deficit, calculated in accordance with Financial Reporting Standard (FRS) 17. Further details of the calculations and assumptions underlying the balance on this fund are set out in note 22 to the financial statements.

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Trustees' report (continued)
For the period ended 31 August 2014

c. Deficit

The restricted fund at 31 August 2014 is in deficit by £315,000. This arises from the pension reserve fund which represents the Academy's share of the LGPS fund deficit, calculated in accordance with FRS 17 by Barnett Waddingham LLP. Employers contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by the Academy have been fixed at 20.1% for the three years from 1 April 2014.

d. Principal funding

Most of the Academy's funding is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

In addition the Academy receives devolved capital funding and this grant is shown in the SOFA as restricted income in the fixed asset fund.

Plans for future periods

a. Future developments

The Academy will continue to deliver high quality teaching to encourage high levels of attainment and to further improve progress. Targeted support for disadvantaged pupils ensures Pupil Premium funds are well-spent and make an impact. PE funding is used to provide specialist provision within the school and increase the amount of competitive sport opportunities for children in school. The school is continually reviewing opportunities that will improve children's outcomes. The appointment of a focused G&T leader has helped to improve the outcomes for our most able children, which needed strengthening. Senior and middle leaders are used to provide capacity for school improvement within the Academy as well as working alongside other schools to support improvement there.

(end of Strategic Report)

Funds held as custodian trustee on behalf of others

The Academy holds no funds on behalf of others.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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Trustees' report (continued)
For the period ended 31 August 2014

Auditor

The auditor, Reeves & Co LLP, has indicated its willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 01/12/14 and signed on the board's behalf by:



Mrs S Burt
Chair of Trustees

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Governance Statement

Scope of Responsibility

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

The board of trustees 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 and responsibilities assigned to it in the funding agreement between Delce Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 2 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Burt, Chair	2	2
Mr B Hampton, Vice Chair	2	2
Mrs S Baker-Pearce (appointed 1 April 2014)	1	1
Miss L Banks (resigned 4 February 2014)	1	1
Mr B Frost (resigned 1 April 2014)	1	1
Mrs J Hughes	1	2
Mrs C Kempster (appointed 1 April 2014)	1	1
Mr R King	1	2
Mrs J Knight	2	2
Mr C McCann	2	2
Ms K White, Principal	2	2

Key changes to the Governance structure in the period were the appointment of Mrs S Burt to the position of Chair of Trustees and of Mr B Hampton to the position of Vice Chair of Trustees following the end of his term of office as Chair. Resignations were received and accepted from Mr B Frost and Miss L Banks.

Governance reviews:

There has been no Governance review in the period but a review of the skill set of existing Governors is planned for 2015 to ensure all Governors are;

- Aware of the need for good governance and how they can contribute to that aim;
- To ensure Governors have the skills to take the Academy forward – financial acumen, strategic planning and fund raising ability.

The Curriculum and Achievement Committee is a sub-committee of the main board of trustees. Its purpose is to monitor, evaluate and review Academy policy and practice in relation to curriculum planning, learning resources and environment, communications and publications.

The Resources Committee assists the board of trustees with regard to the sound management of the Academy's finances and resources, including proper planning, monitoring and probity, making recommendations to the board of trustees as necessary. Major issues and decision making are referred to the board of trustees. As the Resources committee was formed post 31st August 2014 due to time constraints of the academy conversion process, a working group consisting of Mr B Hampton (Vice Chair), Mr R King (Trustee), Ms K White (Principal) and Mrs J Knight (Business Manager) was convened to consider and approve the Academy's key financial approve objectives during the period.

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Governance Statement (continued)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the period 1 April 2014 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Reeves & Co LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned, no issues arose from the reports issued during the financial period to 31 August 2014.

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Governance Statement (continued)

Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 01/12/14 and signed on its behalf, by:



Mrs S Burt
Chair of Trustees



Ms K White
Accounting Officer

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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Delce Academy I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2013).

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

A handwritten signature in black ink, appearing to read 'K White', with a horizontal line extending from the end of the signature.

Ms K White
Accounting Officer

Date: 31/12/14

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Trustees' responsibilities statement
For the period ended 31 August 2014

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 31/12/14 and signed on its behalf by:



Mrs S Burt
Chair of Trustees

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Independent auditor's report to the members of Delce Academy

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

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

Respective responsibilities of Trustees and auditor

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2014 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 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

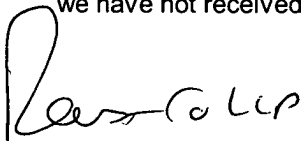
Delce Academy
(A company limited by guarantee)

Independent auditor's report to the members of Delce Academy

Matters on which we are required to report by exception

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

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



Susan Robinson BA FCA FCIE DChA MCMI (Senior statutory auditor)
for and on behalf of

Reeves & Co LLP
Statutory Auditor
Chartered Accountants
Chatham Maritime

Date: 1 December 2014

Delce Academy
(A company limited by guarantee)

Independent reporting accountant's assurance report on regularity to Delce Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 18 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Delce Academy during the period 1 April 2014 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Delce Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Delce Academy's funding agreement with the Secretary of State for Education dated 19 March 2014, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 April 2014 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information⁴ and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

Delce Academy
(A company limited by guarantee)

Independent reporting accountant's assurance report on regularity to Delce Academy and the Education Funding Agency (continued)

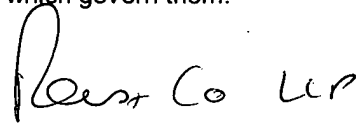
Work undertaken

The work undertaken to draw to our conclusion includes:

- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Ensured that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash
- Confirmed items claimed on cash are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed Governing Body and Trustee minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with

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



Susan Robinson BA FCA FCIE DChA MCMI

Reeves & Co LLP
Reporting Accountant

Date: 1 December 2014

Delce Academy
(A company limited by guarantee)

Statement of financial activities
(incorporating income and expenditure account and statement of total recognised gains and losses)
For the period ended 31 August 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Incoming resources					
Incoming resources from generated funds:					
Transfer from Local Authority on conversion	2	85,631	(239,000)	6,441,079	6,287,710
Activities for generating funds	3	48,748	-	-	48,748
Incoming resources from charitable activities	4	-	807,073	7,926	814,999
Total incoming resources		134,379	568,073	6,449,005	7,151,457
Resources expended					
Charitable activities	6	26,010	809,005	21,470	856,485
Governance costs	7	-	11,958	-	11,958
Total resources expended	5	26,010	820,963	21,470	868,443
Net incoming / (outgoing) resources before transfers		108,369	(252,890)	6,427,535	6,283,014
Transfers between Funds	16	(28,537)	28,537	-	-
Net income for the period		79,832	(224,353)	6,427,535	6,283,014
Actuarial gains and losses on defined benefit pension schemes		-	(67,000)	-	(67,000)
Net movement in funds for the period		79,832	(291,353)	6,427,535	6,216,014
Total funds at 1 April 2014		-	-	-	-
Total funds at 31 August 2014		79,832	(291,353)	6,427,535	6,216,014

All of the Academy's activities derive from acquisitions in the current financial period.

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

The notes on pages 23 to 40 form part of these financial statements.

Delce Academy
(A company limited by guarantee)
Registered number: 08850163

Balance sheet
As at 31 August 2014

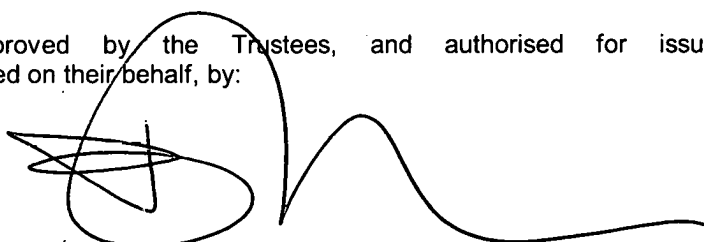
	Note	£	2014 £
Fixed assets			
Tangible assets	13		6,419,609
Current assets			
Debtors	14	73,184	
Cash at bank and in hand		64,537	
		<u>137,721</u>	
Creditors: amounts falling due within one year	15	<u>(26,316)</u>	
Net current assets			<u>111,405</u>
Total assets less current liabilities			<u>6,531,014</u>
Defined benefit pension scheme liability	22		<u>(315,000)</u>
Net assets including pension scheme liability			<u><u>6,216,014</u></u>
Funds of the academy			
Restricted funds:			
Restricted funds	16	23,647	
Restricted fixed asset funds	16	6,427,535	
		<u>6,451,182</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(315,000)</u>	
Total restricted funds			<u>6,136,182</u>
Unrestricted funds	16		<u>79,832</u>
Total funds			<u><u>6,216,014</u></u>

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

01/12/14

SGB-N

Mrs S Burt
Chair of Trustees



Mr B Hampton
Trustee

The notes on pages 23 to 40 form part of these financial statements.

Delce Academy
(A company limited by guarantee)

Cash flow statement
For the period ended 31 August 2014

		Period ended 31 August 2014 £
	Note	
Net cash flow from operating activities	18	142,242
Capital expenditure and financial investment	19	7,926
Cash transferred on conversion to an academy trust	21	(85,631)
Increase in cash in the period		64,537

All of the cash flows are derived from acquisitions in the current financial period.

Reconciliation of net cash flow to movement in net funds
For the period ended 31 August 2014

	Period ended 31 August 2014 £
Increase in cash in the period	64,537
Movement in net funds in the period	64,537
Net funds at 31 August 2014	64,537

The notes on pages 23 to 40 form part of these financial statements.

Delce Academy
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Going concern

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

1.3 Fund accounting

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

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

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

1.4 Incoming resources

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

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

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

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

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

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

Notes to the financial statements
For the period ended 31 August 2014

1. Accounting policies (continued)

1.5 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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

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 the fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are stated at cost less depreciation. Leasehold buildings were valued on an existing use basis by Mouchel and this has been taken to be the deemed historical cost. Depreciation is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property - over the term of the lease

1.7 Operating leases

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

Delce Academy
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2014

1. Accounting policies (continued)

1.8 Taxation

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

1.9 Pensions

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

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

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

Delce Academy
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2014

1. Accounting policies (continued)

1.10 Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Delce Junior School to an Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Delce Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The most significant assets and liabilities transferred on conversion were those of the Buildings and the LGPS pension deficit. The Buildings were transferred at a valuation as detailed in note 13. Details concerning the LGPS deficit can be found within note 22.

Further details of the transaction are set out in note 21.

2. Voluntary income

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Transfer from Local Authority on conversion	85,631	6,202,079	6,287,710
Voluntary income	85,631	6,202,079	6,287,710

3. Activities for generating funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Hire of facilities	3,126	-	3,126
Catering income	18,396	-	18,396
School trip and voluntary fund income	27,226	-	27,226
	48,748	-	48,748

Delce Academy
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2014

4. Funding for Academy's educational operations

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	621,760	621,760
Capital grants	-	7,926	7,926
Other DfE / EFA grants	-	157,933	157,933
	<u>-</u>	<u>787,619</u>	<u>787,619</u>
Other government grants			
Local Authority grants	-	27,380	27,380
	<u>-</u>	<u>27,380</u>	<u>27,380</u>
	<u>-</u>	<u>814,999</u>	<u>814,999</u>

5. Resources expended

	Staff costs 2014 £	Non Pay Depreciation 2014 £	Expenditure Other costs 2014 £	Total 2014 £
Direct costs	474,849	-	97,172	572,021
Support costs	144,866	21,470	118,128	284,464
Charitable activities	<u>619,715</u>	<u>21,470</u>	<u>215,300</u>	<u>856,485</u>
Governance	<u>-</u>	<u>-</u>	<u>11,958</u>	<u>11,958</u>
	<u>619,715</u>	<u>21,470</u>	<u>227,258</u>	<u>868,443</u>

Delce Academy
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2014

6. Charitable activities

	Total funds 2014 £
Direct costs - educational operations	
Wages and salaries	402,449
National insurance	24,692
Pension cost	47,708
Maintenance of furniture & ICT	16,975
Educational supplies & services	58,899
Staff development & other staff costs	21,298
	<hr/> 572,021 <hr/>
Support costs - educational operations	
Wages and salaries	113,015 ✓
National insurance	5,198 ✓
Pension cost	26,653 ✓
Depreciation	21,470 ✓
FRS17 pension finance cost (note 12)	3,000
Maintenance of premises & equipment	28,648 ✓
Rates & water	1,494 ✓
Insurance	5,523 ✓
Equipment & services - non curriculum	15,774
Catering	12,411 ✓
Transport costs	6,329 ✓
Light & heat	6,027 ✓
Voluntary fund expenditure	13,149
Legal & professional fees	25,773
	<hr/> 284,464 <hr/>
Total Academy's educational operations	<hr/> 856,485 <hr/>

7. Governance costs

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Internal audit costs	-	1,042	1,042
Auditors remuneration	-	5,750	5,750
Auditors remuneration - non-audit	-	950	950
Legal & professional fees	-	4,216	4,216
	<hr/> - <hr/>	<hr/> 11,958 <hr/>	<hr/> 11,958 <hr/>

Delce Academy
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2014

8. Net incoming / (outgoing) resources

This is stated after charging:

	Period ended 31 August 2014 £
Depreciation of tangible fixed assets:	
- owned by the charity	21,470
Auditor's remuneration	5,750
Auditor's remuneration - non-audit	950
Internal audit costs	1,042
	<hr/> <hr/>

9. Staff

a. Staff costs

Staff costs were as follows:

	Period ended 31 August 2014 £
Wages and salaries	448,887
Social security costs	29,890
Other pension costs (Note 22)	74,361
	<hr/>
	553,138
Supply teacher costs	66,577
	<hr/> <hr/>
	619,715

b. Staff numbers

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

	Period ended 31 August 2014 No.
Teachers	23
Admin and Support	14
Management	7
	<hr/>
	44
	<hr/> <hr/>

Delce Academy
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2014

9. Staff (continued)

c. Higher paid staff

The number of employees whose emoluments fell within the following bands, on a pro-rata basis, was:

	Period ended 31 August 2014 No.
In the band £70,001 - £80,000	1

The employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for this employee amounted to £4,534.

10. Trustees' remuneration and expenses

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	Period ended 31 August 2014 £
K White, Principal and Trustee	30,000-35,000
J Knight, Staff Governor and Trustee	15,000-20,000

During the period, no Trustees received any benefits in kind.

During the period, no Trustees received any reimbursement of expenses.

One of the above Trustees participated in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for this staff member amounted to £4,534. The other Trustee participated in the Local Government Pension Scheme, pension contributions amounted to £3,835.

11. Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2014 was £61. The cost of this insurance is included in the total insurance cost.

Delce Academy
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Notes to the financial statements
For the period ended 31 August 2014

12. Other finance expense

	Period ended 31 August 2014 £
Expected return on pension scheme assets	9,000
Interest on pension scheme liabilities	(12,000)
	<u>(3,000)</u>

13. Tangible fixed assets

	Long-term leasehold property £
Cost or valuation	
At 1 April 2014	-
Transfer on conversion	6,441,079
At 31 August 2014	<u>6,441,079</u>
Depreciation	
At 1 April 2014	-
Charge for the period	21,470
At 31 August 2014	<u>21,470</u>
Net book value	
At 31 August 2014	<u><u>6,419,609</u></u>

The long-term leasehold property was valued on an existing use basis on 1 April 2014 by a qualified RICS surveyor at Mouchel to be £6,441,079.

14. Debtors

	2014 £
Trade debtors	17,919
VAT recoverable	26,711
Accrued income	28,554
	<u><u>73,184</u></u>

Delce Academy
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2014

15. Creditors:
Amounts falling due within one year

	2014 £
Trade creditors	18,574
Accruals	7,742
	<u>26,316</u>

16. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	-	134,379	(26,010)	(28,537)	-	79,832
	<u>-</u>	<u>134,379</u>	<u>(26,010)</u>	<u>(28,537)</u>	<u>-</u>	<u>79,832</u>
Restricted funds						
General Annual Grant (GAG)	-	621,760	(629,297)	7,537	-	-
Start Up Grant	-	25,000	(25,000)	-	-	-
Other DfE/EFA Grants	-	104,758	(81,111)	-	-	23,647
Other Government Grants	-	27,380	(27,380)	-	-	-
Teaching Schools	-	28,175	(28,175)	-	-	-
Pension reserve	-	(239,000)	(30,000)	21,000	(67,000)	(315,000)
	<u>-</u>	<u>568,073</u>	<u>(820,963)</u>	<u>28,537</u>	<u>(67,000)</u>	<u>(291,353)</u>
	<u>-</u>	<u>568,073</u>	<u>(820,963)</u>	<u>28,537</u>	<u>(67,000)</u>	<u>(291,353)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	-	6,441,079	(21,470)	-	-	6,419,609
Other DfE/EFA Capital Grants	-	7,926	-	-	-	7,926
	<u>-</u>	<u>6,449,005</u>	<u>(21,470)</u>	<u>-</u>	<u>-</u>	<u>6,427,535</u>
	<u>-</u>	<u>6,449,005</u>	<u>(21,470)</u>	<u>-</u>	<u>-</u>	<u>6,427,535</u>
Total restricted funds	-	7,017,078	(842,433)	28,537	(67,000)	6,136,182
Total of funds	-	7,151,457	(868,443)	-	(67,000)	6,216,014

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

GAG represents funds to be used to cover the normal running costs of the Academy.

Delce Academy
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2014

16. Statement of funds (continued)

The Start-up grant of £25,000 was used to help with the costs of converting, such as legal fees, stationery and signage.

Other DfE/EFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

Teaching Schools is entirely grant-based and is made up of an annual grant from the National College, as well as specific grants for example, supporting the development of the new curriculum. The annual grant is to advance the work of the Teaching School Alliance, a group of 60 Medway primary, secondary and specific schools against 'the big 6' KPIs, that all teaching schools are measured against. Where a grant is given for a particular purpose, the money is used to bring key players together, engage consultants, if necessary and purchase resources.

The Restricted Fixed Asset Fund represents the leasehold buildings which were donated upon conversion to Academy status.

The DfE/EFA capital grants fund is to provide the Academy with its own capital money to address improvements to buildings and other facilities.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

17. Analysis of net assets between funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	-	6,419,609	6,419,609
Current assets	79,832	49,963	7,926	137,721
Creditors due within one year	-	(26,316)	-	(26,316)
Provisions for liabilities and charges	-	(315,000)	-	(315,000)
	<u>79,832</u>	<u>(291,353)</u>	<u>6,427,535</u>	<u>6,216,014</u>

Delce Academy
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2014

18. Net cash flow from operations

	Period ended 31 August 2014 £
Net incoming resources before revaluations	6,283,014
Tangible assets inherited on conversion	(6,441,079)
Defined benefit pension scheme liability inherited on conversion	239,000
Depreciation of tangible fixed assets	21,470
Capital grants from DfE	(7,926)
Increase in debtors	(73,184)
Increase in creditors	26,316
Cash transferred on conversion to Academy Trust	85,631
FRS 17 pension cost less contributions payable (note 22)	6,000
FRS 17 pension finance income (note 12)	3,000
Net cash inflow from operations	142,242

19. Analysis of cash flows for headings netted in cash flow statement

	Period ended 31 August 2014 £
Capital expenditure and financial investment	
Capital grants from DfE	7,926

20. Analysis of changes in net funds

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	-	64,537	-	64,537
Net funds	-	64,537	-	64,537

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21. Conversion to an academy trust

On 1 April 2014 Delce Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Delce Academy from Medway Council for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold buildings	-	-	6,441,079	6,441,079
Budget surplus/(deficit) on LA funds	85,631	-	-	85,631
LGPS pension surplus/(deficit)	-	(239,000)	-	(239,000)
Net assets/(liabilities)	<u>85,631</u>	<u>(239,000)</u>	<u>6,441,079</u>	<u>6,287,710</u>

The above net assets/(liabilities) include £85,631 as cash transferred.

22. Pension commitments

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real

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Notes to the financial statements
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22. Pension commitments (continued)

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

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

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

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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

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

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22. Pension commitments (continued)

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 period ended 31 August 2014 was £27,000, of which employer's contributions totalled £21,000 and employees' contributions totalled £6,000. The agreed contribution rates for future years are 20.1% for employers and 5.5 to 12.5% for employees.

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

As described in note 21 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.70	260,000
Other Bonds	3.60	45,000
Property	5.90	39,000
Gilts	3.00	5,000
Cash	2.90	16,000
Target Return Portfolio	5.90	16,000
Total market value of assets		<u>381,000</u>
Present value of scheme liabilities		<u>(696,000)</u>
(Deficit)/surplus in the scheme		<u><u>(315,000)</u></u>

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22. Pension commitments (continued)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The amounts recognised in the Balance sheet are as follows:

	Period ended 31 August 2014 £
Present value of funded obligations	(696,000)
Fair value of scheme assets	381,000
	<hr/>
Net liability	(315,000)
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The amounts recognised in the Statement of financial activities are as follows:

	Period ended 31 August 2014 £
Current service cost	(27,000)
Interest on obligation	(12,000)
Expected return on scheme assets	9,000
	<hr/>
Total	(30,000)
	<hr/> <hr/>
Actual return on scheme assets	17,000
	<hr/> <hr/>

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

	Period ended 31 August 2014 £
Current service cost	27,000
Interest cost	12,000
Contributions by scheme participants	6,000
Actuarial Losses	75,000
Inherited defined benefit obligation from predecessor school	576,000
	<hr/>
Closing defined benefit obligation	696,000
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Notes to the financial statements
For the period ended 31 August 2014

22. Pension commitments (continued)

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

	Period ended 31 August 2014 £
Expected return on assets	9,000
Actuarial gains and (losses)	8,000
Contributions by employer	21,000
Contributions by employees	6,000
Inherited defined benefit obligation from predecessor school	337,000
	<hr/> 381,000 <hr/>

The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £67,000 loss.

The Academy expects to contribute £48,000 to its Defined benefit pension scheme in 2015.

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

	2014
Equities	69.00 %
Other Bonds	12.00 %
Property	10.00 %
Gilts	1.00 %
Cash	4.00 %
Target Return Portfolio	4.00 %

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

	2014
Discount rate for scheme liabilities	4.00 %
Rate of increase in salaries	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %
Inflation assumption (CPI)	2.70 %
Inflation assumption (RPI)	3.50 %

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

	2014
Retiring today	
Males	22.7
Females	25.1
Retiring in 20 years	
Males	24.9
Females	27.4

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22. Pension commitments (continued)

The Academy has not disclosed the restated corresponding amounts for the previous four accounting periods as the Trustees are of the opinion that the cost implications of obtaining the actuarial reports for each year outweigh the benefits to a user of the financial statements.

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(696,000)
Scheme assets	381,000
Deficit	<u>(315,000)</u>
Experience adjustments on scheme assets	<u>8,000</u>

23. Operating lease commitments

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

	2014 £
Expiry date:	
Between 2 and 5 years	<u>11,140</u>

24. Related party transactions

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

No related party transactions took place in the period of account.

25. Controlling party

The Academy is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.