

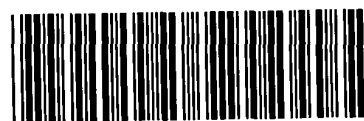
Company Registration No. 08681270 (England and Wales)

ACE LEARNING
(A COMPANY LIMITED BY GUARANTEE)

**DIRECTORS' STRATEGIC REPORT AND AUDITED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2017

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ACE LEARNING

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ACE LEARNING

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

C Wilson (Chair)
J D Brown (Appointed 5 May 2017)
S Davison (Resigned 4 September 2017)
P I Johnson (Appointed 29 September 2017)
J King
M Procyshyn (Resigned 4 September 2017)
R Rice
J Robinson (Resigned 5 May 2017)
G Russell (Appointed 5 May 2017)
S Taylor
E Windon

Members

C Wilson
S Taylor
S Davison
G Spragg
M Procyshyn

Senior leadership team

P Ketley	- Principal (Furley Park)
J Blundy	- Vice principal (Furley Park)
E Collip	- Vice principal (Furley Park)
A Taylor-Harris	- Business manager
J Macey	- Principal (Hamstreet)
H Glancy	- Vice principal (Hamstreet)

Company registration number

08681270 (England and Wales)

Registered office

Reed Crescent
Park Farm
Ashford
Kent
TN23 3PA

Academies operated

Furley Park Primary School
Hamstreet Primary School

Location

Kent
Kent

Principal

P Ketley
J Macey

Independent auditor

Wilkins Kennedy FKC
Stourside Place
Station Road
Ashford
Kent
TN23 1PP

ACE LEARNING

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank PLC
29 Bank Street
Ashford
Kent
TN24 8SS

Solicitors

Brachers LLP
Somerfield House
London Road
Maidstone
Kent
ME16 8JH

ACE LEARNING

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The Directors present their annual report together with the financial statements and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates multi-academies for pupils aged 4 to 11 serving a catchment area in Park Farm and Hamstreet, Ashford Kent.

Furley Park has a pupil capacity of 570 and had a roll of 552 in the school census on January 2017.

Hamstreet has a pupil capacity of 315 and had a roll of 312 in the school census on January 2017.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 8681270) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Academy was incorporated on 9 September 2013 and obtained Academy status from 1 November 2013.

The charitable company is known as The Academy.

The Directors are the trustees of Ace Learning and are also the directors of the charitable company for the purposes of company law. Details of the Directors who served during the year 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.

Directors' indemnities

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme.

Method of recruitment and appointment or election of Directors

In accordance with the articles the number of Directors shall not be less than three but shall not be subject to a maximum. The Academy Trust can have up to 12 Directors who can be appointed by the Members. Members are permitted to appoint Trustees through such process as they may determine. The total number of Trustees who are employees of the academy trust shall not exceed one third of the total number. There are Local Governing Bodies which include two elected Parent Members. The term of office for any trustee is four years.

Members of the academy trust are defined as the signatories to the Memorandum; the chairman of the Directors and any person appointed by the Members by passing a special resolution in writing to appoint additional Members.

When a vacancy arises, the trustees seek to make an appointment that would maximise the relevant skills and the experience on the board as a whole.

ACE LEARNING

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Policies and procedures adopted for the induction and training of Directors

During the period under review the Directors held 3 meetings. The training and induction provided for new Directors will depend on their existing experience. All new Directors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. The academy purchases the Governor training scheme run by Kent Local Authority and induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The structure consists of three levels: the Directors, Local Governing Body and Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Local Governing Bodies are responsible for monitoring and reviewing policies, preparing an annual plan and budget and monitoring the performance of their local Academy.

Day to day management of the academies are undertaken by the Principals supported by their Senior Leadership Teams.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust have adopted the National pay scheme which is a point scheme to identify the pay range based on pupil numbers. This is then reviewed annually and an increment is applied based on performance management until they are at the top of their range.

Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of Ace Learning other than those detailed below.

J Macey is a trustee of Hamstreet School Association and Highways at Hamstreet. P Ketley was a trustee of Furley Park After School Club until 20 October 2016.

Objectives and activities

Objects and aims

The principal activity of ACE Academy is to provide an outstanding free education to children aged 4-11 years. There is a long tradition of providing the highest quality of education to meet the needs of every child and enable them to achieve their personal best. Funding is obtained from the Department of Education (DFE) through the Education Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

ACE LEARNING

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, strategies and activities

ACE Academy will support local communities in the education of children to develop respect for themselves, each other, their families, and the environment. At ACE Academy our vision is to offer a rich, broad and balanced curriculum which provides pupils with a first class, exciting and creative experience. We will develop thoughtful and responsible young people with high self-esteem and with the motivation, skills and knowledge to succeed in life.

Aims

At ACE Academy we aim to provide a safe, caring, supportive and stimulating environment with high quality teaching to achieve.

- A high level of literacy and numeracy;
- Independent young people who are confident, flexible and able to cooperate with others;
- A high level computing and technological competence.
- Imagination and creative expression through a wide range of media;
- Conscientious young citizens who are tolerant and respect others' values;
- Effective links between the school, the home and the community;
- Equality of opportunity for all;
- Celebration and humour – we feel good about ourselves!

We want ACE Academy to be the best place for the children who come to learn; where they are supported by adults who are positive and show a love for learning; where we dare to be bold and different!

All who work at the academy believe that it is vital that we are all responsible for improving the basic skills of all children and we are here to support the raising of standards for everyone.

The Directors recognise that equal opportunities should be an integral part of good practice within the Academy. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all members of the community are fully valued.

Public benefit

The Directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Disabled persons

The Academy complies fully with Disability Discrimination Act regulations and is equipped to welcome and/or teach any child or adult with a disability.

Strategic report

Achievements and performance

Achievements and performance – review of the year to August 2017

Furley Park Primary was graded 'Good' by Ofsted (2016)

Hamstreet Primary was graded 'Good' by Ofsted (2017)

Sport plays a large part in the daily life of our academies and all pupils achieve outstanding results in individual and team sports. Most notable; cross country, football, netball, handball, cricket, rugby and athletics.

Residential trips continue to be hugely popular and successful - in particular the joint Year 6 visit to Paris and the Isle of Wight.

ACE LEARNING

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Foundation Stage Results 2017	Furley Park	Hamstreet	National
% Achieving a good Level of Development	81.1%	72.5%	70.7%
% Achieving the expected or exceeding level on the Literacy Goals	83.3%	80.0%	-
% Achieving the expected or exceeding level on the Mathematics Goals	85.5%	87.5	-

Phonics Screening	Year 1			Year 2 Re-takes			Year 2 1st Time		
	Furley Park	Ham-street	National	Furley Park	Ham-street	National	Furley Park	Ham-street	National
% of pupils achieving the required standard	94.7%	81%	81%	77.8%	84.2	61.6	100%	100%	-

Key Stage 1 Results 2017	% Expected standard +			% Working at greater depth		
	Furley Park	Hamstreet	National	Furley Park	Hamstreet	National
	%	%	%	%	%	%
Reading	82.3	69.6	75.5	25.8	26.0	25.2
Writing	75.3	65.2	68.2	14.1	20.0	15.6
Maths	80.0	74.0	75.1	10.5	22.0	20.5
Science	87	100		-	-	-

Key Stage 2 Results 2017	% Expected standard +			% High score (110+) (Writing is % at Greater depth)			Average Scaled score		
	Furley Park	Ham street	Nat	Furley Park	Ham street	Nat	Furley Park	Ham street	Nat
Reading	77	64.4	71	34	20	25	105	102.4	104
Writing	87	71	76	16	27	18	n/a	n/a	n/a
Grammar, Spelling & Punctuation	74	58	77	37	18	31	105	102.5	106
Maths	65	62	75	24	16	23	103	102.3	104
Reading / Writing and Maths	60.2	47	61	16	13	9	n/a	n/a	n/a

ACE LEARNING

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Furley Park Primary Academy Attendance 2016/2017	%
Attendances	97.1
Authorised absences	2
Unauthorised absences	0.9

Hamstreet Primary Academy Attendance 2016/17	%
Attendances	96.2
Authorised absences	3.3
Unauthorised absences	0.5

Key performance indicators

Main Strategic Theme	Objective	Targets
<u>Achievement</u>	Ensure that all pupils achieve outstanding outcomes in all key areas	85%+ to achieve age expected attainment at all stages
<u>Teaching & Learning</u>	Improve the quality of teaching through the appraisal system and appropriate CPD and sharing good practice across ACE Academy	Percentage of good and outstanding lessons 100%
<u>Behaviour & Safety</u>	Improve attendance by reducing the number of persistent absentees	Annual attendance figures to increase by 0.5% by July 2018
<u>Leadership & Management</u>	Academy vision is explicit, shared and underpins practice On-going CPD and Appraisal ensure continual improvement	Vision shared widely with all stakeholders Focus on improving teaching and developing outstanding teachers

Going concern

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

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

ACE LEARNING

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2017, total expenditure of £4,272k (2016: £3,833k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £350k (2016: expenditure over income £6k).

At 31 August 2017 the net book value of fixed assets was £9,707k (2016: £9,830k). Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Kent County Council Local Government Pension Fund, in which the Academy participates, showed a deficit of £1,585k (2016: £2,765k) at 31 August 2017. Of this sum, £1,018k was inherited by The Academy from Kent County Council on 1 November 2013, the date the local authority's staff transferred to employment with the Academy.

Reserves policy

The Directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of unrestricted reserves should be £288k (2016: £280k), approximately equivalent to four weeks' expenditure.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of unrestricted reserves of £310k (2016: £377k) (total funds less the amount held in fixed assets and restricted funds). The Directors expect the excess of general unrestricted funds to reduce in the coming years.

The Academy held fund balances at 31 August 2017 of £8,432k (2016: £7,442k) comprising £8,122k (2016: £7,065k) of restricted funds and £310k (2016: £377k) of unrestricted general funds. Of the restricted funds £9,707k (2016: £9,830k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £1,585k (2016: £2,765k) in deficit.

Investment policy and powers

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

Risk management

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail on page 16.

ACE LEARNING

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The main risks that the Academy Trust faces are:

Strategic and reputational risk

The main strategic risk is the failure of the Academy to recruit sufficient learners to make it viable

The above risk is mitigated by having a strong admissions policy supported by a Parent Handbook combined with effective networking and marketing

Financial risks

The financial risks to which The Academy is exposed to relate primarily to:

- Change in government and legislation
- Potential of reduced funding and cash flow
- Reduction in pupil numbers

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £1,585k (2016: £2,765k).

The above risks are mitigated by having a strong strategic plan of action and regular financial reporting.

Operational risks

The main operation risk is failure to ensure that the quality of Management Information produced by the Academy Trust is of a high quality.

This risk is mitigated by regular reporting and review of performance against targets; Director and Governing Body reports and minutes; CPD for management

An additional operation risk is the failure to ensure that the Directors who are recruited to the Governing Body possess the skills and experience required to run the Academy Trust.

This risk is mitigated by CEO, Executive Principal & Vice Principals profile of skills required against those offered by potential Governors; Independent Clerk to the Governing Body; Governor training and induction; Register of Governing Body interests.

Plans for future periods

Resources for Learning

- Improve capacity in leadership and management at all levels to drive strategic development of the academy forward
- Ensure that staffing structures, rewards & professional development secure a high performing & well-motivated body of staff
- Maintain financial security including resources to meet development plans
- Improve the quality of the learning environment by securing funding for 21st century facilities
- Be innovative in the contribution that ICT can make to learning

Teaching & Learning

- Ensure outstanding progress for all pupils
- Ensure outstanding teaching by building the capacity of staff through professional development focussed on high quality teaching
- Develop a curriculum which meets the needs of all pupils
- Raise participation by pupils in activities designed to develop their learning skills, resilience, independence and tolerance through well-planned lessons and exposure to a range of experiences including opportunities to lead their learning

ACE LEARNING

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Partnerships for Learning

- Lead, contribute to and take advantage of partnership arrangements designed to promote academy Improvement
- Seek opportunities to further develop curriculum provision at all levels of the academy by collaborative working
- Engage parents, partner schools, agencies and the local community in school Improvement

Auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors 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.

A resolution proposing that Wilkins Kennedy FKC be reappointed as auditor of the charitable company will be put to the members.

The directors' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 29 November 2017 and signed on its behalf by:

C Wilson
Chair

A handwritten signature in black ink, consisting of a stylized 'C' followed by a series of loops and a final horizontal stroke.

ACE LEARNING

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Ace Learning 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 directors 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 Ace Learning and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of directors has formally met 3 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Directors	Meetings attended	Out of possible
C Wilson (Chair)	3	3
J D Brown (Appointed 5 May 2017)	2	2
S Davison (Resigned 4 September 2017)	2	3
P I Johnson (Appointed 29 September 2017)	0	0
J King	3	3
M Procyshyn (Resigned 4 September 2017)	0	3
R Rice	1	3
J Robinson (Resigned 5 May 2017)	0	3
G Russell (Appointed 5 May 2017)	1	1
S Taylor	3	3
E Windon	3	3

During the year a review of the Board structure and skill sets was undertaken with additional Directors being recruited where it was felt that the necessary skill levels could be improved. The Board of Directors will be approachable and the challenges set will be clear, quantifiable and measurable. With a more streamlined Board of Directors, the LGBs can therefore move forward with a clearer strategy.

The Finance and Audit and Risk committee is a sub-committee of the main board of directors. Its purpose is to review the financial status of the academy and to monitor performance against budgets.

Attendance at meetings in the year was as follows. In addition Mrs A Taylor-Harris, Academy Business Manager, Jane Macey, Paul Ketley, and Martin Yeandle attended this meeting.

Directors	Meetings attended	Out of possible
J King	1	1

ACE LEARNING

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Review of value for money

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

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

What Is Best Value?

Governors will apply the four principles of best value.

Challenge - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?

Compare - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?

Consult - How does the school seek the views of stakeholders about the services the school provides?

Compete - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Governors' Approach

The Governors and Senior Leadership Team will apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils.

Governors, and the Senior Leadership Team, will:

- make comparisons with other/similar schools using data provided by the LA and the Government, e.g. Raise on line, quality of teaching & learning, levels of expenditure, challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets, require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. Sex and Relationships Education, pupil reports, Ofsted and any other agencies including the LA.

This will apply in particular to:

- staffing, use of premises, use of resources
- quality of teaching
- quality of learning, purchasing, pupils' welfare health and safety

Governors and Senior Leadership Team

- will not waste time and resources on investigating minor areas where few improvements can be achieved
- will not waste time and resources to make minor savings in costs
- will not waste time and resources by seeking tenders for minor supplies and services

ACE LEARNING

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Staffing

Governors and Senior Leadership Team will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.

Use of Premises

Governors and Senior Leadership Team will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources, e.g. the library.

Use of Resources

Governors and Senior Leadership Team will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Teaching

Governors and Senior Leadership Team will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- a curriculum which meets the requirements of the National Curriculum, the LA Agreed RE Syllabus, and the needs of pupils
- teaching which builds on previous learning and has high expectations of children's achievement

Learning

Governors and Senior Leadership Team will review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets

Purchasing

Governors and Senior Leadership Team will develop procedures for assessing need, and obtaining goods and services which provide 'best value' in terms of suitability, efficiency, time, and cost.

Measures already in place include:

- competitive tendering procedures (e.g. for purchases above £50,000)
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1,000 direct from known, reliable suppliers (e.g. stationery, small equipment)

Pupils' Welfare

Governors and Senior Leadership Team will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

Health & Safety

Governors and Senior Leadership Team will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

ACE LEARNING

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Monitoring

These areas will be monitored for best value by:

1. Annual target setting meetings between the Principal and Subject Leaders
2. Annual Performance Management
3. Annual Budget Planning
4. Analysis of school student performance data, e.g. SATs results, standardised test results
5. Analysis of DfE pupil performance data
6. OFSTED Inspection reports
7. Triad monitoring of Finance, Health and Safety, Safeguarding, Inclusion
8. Governors' and Director full termly meetings
9. Self Evaluation framework

Improving educational results: The trust checks and ensures that educational standards continue to improve for the benefit of pupils and wider society, and that all pupils have the opportunity to raise their individual levels of attainment.

Targeted improvement: The trust has kept its staffing structure under review and deployed staff efficiently to support an improved curriculum, or to target areas of the curriculum in need of development.

Focus on individual pupils: The trust continues to manage the differing needs of pupils, such as those requiring one to one support, and those requiring greater challenge.

Collaboration: The trust continues to engage with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost.

Quantifying improvements: Termly reviews of data are available to evidence the effectiveness of the trust's strategies, via Principal reports and updates — such as pupils' educational attainment, behaviour and attendance records over time.

Financial governance and oversight: The trust's system of financial governance includes strong oversight by the trustees and accounting officer. The trust have advised and challenged decision makers within the trust on the cost and effectiveness of spending proposals in order to achieve value for money on a regular basis.

Better purchasing: What has the trust done to get more for its money?

Fitness for purpose: Services and contracts been appraised or renegotiated to get the best mix of quality and effectiveness for the least cost.

Benchmarking: The trust benchmarked its costs against similar organisations to identify areas for making savings.

Options appraisal: Different options are considered before making purchases, including an assessment of the costs and benefits of the alternatives. Tendering is used appropriately and effectively to get the best deal. This does not mean always choosing the cheapest option.

Economies of scale: The trust has taken opportunities to work collaboratively with others to reduce and share administration and procurement costs.

Better income generation: Opportunities have been taken to explore and generate additional and reliable revenue streams.

Reviewing controls and managing risks: The trust organised its internal controls to maximise its use of assets. Regular budget reports are produced and are acted on to best utilise spare resources and prevent waste. The trust has checks and measures to manage cash, bank balances and investments effectively.

Lessons learned: The trust continues to appraise and learn from its strategies and decisions in order to make the budget go further.

ACE LEARNING

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ace Learning for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Directors.

The risk and control framework

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

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

The Directors have considered the need for a specific internal audit function and has decided to appoint an internal auditor / Finance Director, J King.

The Finance Director's role includes giving advice on financial matters and performing a range of checks on the ACE Academy's financial systems. On a termly basis the Finance Director reports to the Directors on the operation of the systems of control and on the discharge of the Directors' and Local Governing Body's financial responsibilities.

Some recommendations were made relating to reporting of financial information and these have been addressed.

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Finance Director
- the work of the external auditor;
- the financial management and governance self-assessment process.

ACE LEARNING

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

Approved by order of the board of directors on 29 November 2017 and signed on its behalf by:

C Wilson
Chair

A handwritten signature in black ink, consisting of stylized cursive letters that appear to read 'C Wilson'.

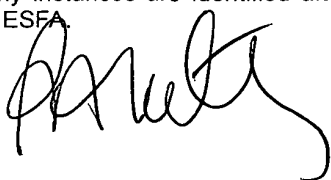
ACE LEARNING

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Ace Learning I have considered my responsibility to notify the Academy Trust board of directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust's board of directors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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 directors and ESFA.



P Ketley
Accounting Officer

29 November 2017

ACE LEARNING

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The directors (who also act as trustees for Ace Learning) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements 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 charitable company will continue in business.

The Directors 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 Directors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Directors 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 board of directors on 29 November 2017 and signed on its behalf by:

C Wilson
Chair



ACE LEARNING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACE LEARNING

Opinion

We have audited the financial statements of Ace Learning (the 'Academy Trust') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ACE LEARNING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACE LEARNING (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Academy Trust, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ACE LEARNING

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACE LEARNING (CONTINUED)

Use of our report

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

Wilkins Kennedy FKC

Michelle Wilkes FCA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy FKC

14 December 2017

Statutory Auditor
Chartered Accountants

Stourside Place
Station Road
Ashford
Kent
TN23 1PP

ACE LEARNING

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACE LEARNING AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 3 December 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ace Learning during the period 1 September 2016 to 31 August 2017 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 Ace Learning and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Ace Learning and ESFA 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 Ace Learning and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ace Learning's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ace Learning's funding agreement with the Secretary of State for Education dated 1 November 2013 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

ACE LEARNING

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACE LEARNING AND THE EDUCATION AND SKILLS 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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy FKC

Reporting Accountant

Wilkins Kennedy FKC
Stourside Place
Station Road
Ashford
Kent
TN23 1PP

Dated: *14 December 2017*

ACE LEARNING

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total 2017 £000's	Total 2016 £000's
Income and endowments from:						
Donations and capital grants	3	75	-	17	92	155
Charitable activities:						
- Funding for educational operations	4	-	3,413	-	3,413	3,295
Other trading activities	5	173	5	-	178	138
Investments	6	-	-	-	-	1
Total income and endowments		<u>248</u>	<u>3,418</u>	<u>17</u>	<u>3,683</u>	<u>3,589</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	112	3,903	257	4,272	3,833
Total expenditure	7	<u>112</u>	<u>3,903</u>	<u>257</u>	<u>4,272</u>	<u>3,833</u>
Net income/(expenditure)		136	(485)	(240)	(589)	(244)
Transfers between funds		(203)	86	117	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	1,579	-	1,579	(1,321)
Net movement in funds		<u>(67)</u>	<u>1,180</u>	<u>(123)</u>	<u>990</u>	<u>(1,565)</u>
Reconciliation of funds						
Total funds brought forward		377	(2,765)	9,830	7,442	9,007
Total funds carried forward		<u>310</u>	<u>(1,585)</u>	<u>9,707</u>	<u>8,432</u>	<u>7,442</u>

ACE LEARNING

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016		Unrestricted Funds	Restricted funds:		Total 2016
	Notes	£000's	General £000's	Fixed asset £000's	£000's
Income and endowments from:					
Donations and capital grants	3	155	-	-	155
Charitable activities:					
- Funding for educational operations	4	-	3,295	-	3,295
Other trading activities	5	119	19	-	138
Investments	6	1	-	-	1
Total income and endowments		<u>275</u>	<u>3,314</u>	<u>-</u>	<u>3,589</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	122	3,473	238	3,833
Total expenditure	7	<u>122</u>	<u>3,473</u>	<u>238</u>	<u>3,833</u>
Net income/(expenditure)		153	(159)	(238)	(244)
Transfers between funds		(76)	(7)	83	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	20	-	(1,321)	-	(1,321)
Net movement in funds		<u>77</u>	<u>(1,487)</u>	<u>(155)</u>	<u>(1,565)</u>
Reconciliation of funds					
Total funds brought forward		300	(1,278)	9,985	9,007
Total funds carried forward		<u>377</u>	<u>(2,765)</u>	<u>9,830</u>	<u>7,442</u>

ACE LEARNING

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016	
	Notes	£000's	£000's	£000's	£000's
Fixed assets					
Tangible assets	13		9,707		9,830
Current assets					
Debtors	14	124		208	
Cash at bank and in hand		356		377	
		480		585	
Current liabilities					
Creditors: amounts falling due within one year	15	(170)		(208)	
Net current assets			310		377
Net assets excluding pension liability			10,017		10,207
Defined benefit pension liability	20		(1,585)		(2,765)
Net assets			8,432		7,442
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			9,707		9,830
- Pension reserve			(1,585)		(2,765)
Total restricted funds			8,122		7,065
Unrestricted income funds	18		310		377
Total funds			8,432		7,442

The financial statements set out on pages 24 to 48 were approved by the board of directors and authorised for issue on 29 November 2017 and are signed on its behalf by:

C Wilson
Chair



Company Number 08681270

ACE LEARNING

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £000's	2016 £000's
Cash flows from operating activities			
Net cash provided by operating activities	21	96	144
Cash flows from investing activities			
Dividends, interest and rents from investments		-	1
Capital grants from DfE and ESFA		17	-
Payments to acquire tangible fixed assets		(134)	(83)
		<u>(117)</u>	<u>(82)</u>
Change in cash and cash equivalents in the reporting period		(21)	62
Cash and cash equivalents at 1 September 2016		377	315
Cash and cash equivalents at 31 August 2017		<u>356</u>	<u>377</u>
Relating to:			
Bank and cash balances		356	373
Short term deposits		-	4
		<u></u>	<u></u>

ACE LEARNING

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Ace Learning is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' report.

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

1.1 Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA (other than in respect of the disclosure of remuneration received by staff Governors under employment contracts – see note 11 for details), the Charities Act 2011 and the Companies Act 2006.

Ace Learning meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Directors 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 charitable company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

Transfer of lease

On conversion to Academy status the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at 1 November 2013, the date of transfer. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Governance costs

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

1.5 Tangible fixed assets and depreciation

Individual assets costing £1,000 or more or a group of assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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 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 Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	Land not depreciated; buildings 50 years
Leasehold improvements	3 to 5 years
Fixtures, fittings & equipment	3 to 10 years
Motor vehicles	5 years

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 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows.

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

The Academy Trust 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 Trust 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.

1.10 Pensions benefits

Retirement benefits to employees of the Academy Trust 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 Trust.

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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Kent County Council and Ashford Borough Council 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 Education and Skills Funding Agency/Department for Education.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

3 Donations and capital grants

	Unrestricted funds £000's	Restricted funds £000's	Total 2017 £000's	Total 2016 £000's
Capital grants	-	17	17	-
Other donations	75	-	75	155
	<u>75</u>	<u>17</u>	<u>92</u>	<u>155</u>

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £000's	Restricted funds £000's	Total 2017 £000's	Total 2016 £000's
DfE / ESFA grants				
General annual grant (GAG)	-	2,828	2,828	2,752
Other DfE / ESFA grants	-	344	344	366
	<u>-</u>	<u>3,172</u>	<u>3,172</u>	<u>3,118</u>
Other government grants				
Local authority grants	-	241	241	177
	<u>-</u>	<u>241</u>	<u>241</u>	<u>177</u>
Total funding	<u>-</u>	<u>3,413</u>	<u>3,413</u>	<u>3,295</u>

5 Other trading activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2017 £000's	Total 2016 £000's
Hire of facilities	19	-	19	12
Catering income	90	-	90	41
Other income	64	5	69	85
	<u>173</u>	<u>5</u>	<u>178</u>	<u>138</u>

6 Investment income

	Unrestricted funds £000's	Restricted funds £000's	Total 2017 £000's	Total 2016 £000's
Short term deposits	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

7 Expenditure

	Staff costs £000's	Premises & equipment £000's	Other costs £000's	Total 2017 £000's	Total 2016 £000's
Academy's educational operations					
- Direct costs	2,416	166	161	2,743	2,860
- Allocated support costs	959	234	336	1,529	973
	<u>3,375</u>	<u>400</u>	<u>497</u>	<u>4,272</u>	<u>3,833</u>

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

(Continued)

Net income/(expenditure) for the year includes:

	2017 £000's	2016 £000's
Fees payable to auditor for:		
- Audit	11	9
- Other services	4	3
Operating lease rentals	8	8
Depreciation of tangible fixed assets	257	238
Net interest on defined benefit pension liability	60	49
	<u> </u>	<u> </u>

Central services

The Academy Trust has provided the following central services to its academies during the year:

- Audit and accountancy fees

The Academy Trust charges for these services on the following basis:

- audit and accountancy fees based on a 50/50 split between each academy.

The amounts charged during the year were as follows:

	Total £000's
Furley Park Primary School	8
Hamstreet Primary School	7
	<u> </u>
	15
	<u> </u>

8 Charitable activities

	Unrestricted funds £000's	Restricted funds £000's	Total 2017 £000's	Total 2016 £000's
Direct costs - educational operations	-	2,743	2,743	2,860
Support costs - educational operations	112	1,417	1,529	973
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	112	4,160	4,272	3,833
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Analysis of support costs

	2017 £000's	2016 £000's
Support staff costs	959	453
Depreciation and amortisation	91	72
Premises costs	120	118
Other support costs	342	316
Governance costs	17	14
	<u> </u>	<u> </u>
	1,529	973
	<u> </u>	<u> </u>

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

9 Governance costs

	Total 2017 £000's	Total 2016 £000's
All from restricted funds:		
Amounts included in support costs		
Auditor's remuneration		
- Audit of financial statements	11	9
- Other audit costs	4	3
Other governance costs	2	2
	<u>17</u>	<u>14</u>

10 Staff costs

	2017 £000's	2016 £000's
Wages and salaries	2,345	2,182
Social security costs	191	158
Operating costs of defined benefit pension schemes	738	483
	<u>3,274</u>	<u>2,823</u>
Staff costs	3,274	2,823
Supply staff costs	19	53
Staff restructuring costs	11	-
Staff development and other staff costs	71	68
	<u>3,375</u>	<u>2,944</u>
Total staff expenditure	3,375	2,944

Staff numbers

The average number of persons, by headcount, employed by the Academy Trust during the year was as follows:

	2017 Number	2016 Number
Teachers	92	91
Administration and support	43	33
Management	4	4
	<u>139</u>	<u>128</u>

Higher paid staff

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

	2017 Number	2016 Number
£70,001 to £80,000	-	2
£80,001 to £90,000	2	-
	<u>2</u>	<u>2</u>

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff costs

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £11k (2016: £Nil). Individually, the payments were: £11k.

Key management personnel

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance) received by key management personnel for their services to the Academy Trust was £722k (2016: £722k)

11 Directors' remuneration and expenses

The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the academy trust in respect of their role as Directors. During the year, travel and subsistence payments totalling £213 (2016: £489) were reimbursed to 1 Directors (2016: 2).

The value of Directors' remuneration was as follows:

Principals

P Ketley (to 1 May 2016)

- Gross 2016: to 1 May 2016 £50,001 - £55,000
- Pension 2016: to 1 May 2016 £5,001 - £10,000

J Macey (to 1 May 2016)

- Gross 2016: to 1 May 2016 £50,001 - £55,000
- Pension 2016: to 1 May 2016 £5,001 - £10,000

In accordance with ESFA guidelines the principals resigned from the Academy Trust Directors Board on 1 May 2016 and their remuneration is only reported to this date above.

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board. Other related party transactions involving the Directors are set out within the related parties note.

12 Directors and officers insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Directors and officers indemnity element from the overall cost of the RPA scheme.

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Tangible fixed assets

	Land and buildings	Leasehold improvements	Fixtures, fittings & equipment	Motor vehicles	Total
	£000's	£000's	£000's	£000's	£000's
Cost					
At 1 September 2016	9,834	183	334	15	10,366
Additions	-	14	110	10	134
At 31 August 2017	9,834	197	444	25	10,500
Depreciation					
At 1 September 2016	405	8	115	8	536
Charge for the year	166	4	83	4	257
At 31 August 2017	571	12	198	12	793
Net book value					
At 31 August 2017	9,263	185	246	13	9,707
At 31 August 2016	9,429	175	219	7	9,830

Included in Buildings at original cost/valuation are:

- Leasehold buildings £8,321k
- Leasehold land £1,513k
- Leasehold improvements £197k

14 Debtors

	2017 £000's	2016 £000's
Trade debtors	5	18
VAT recoverable	16	24
Other debtors	28	89
Prepayments and accrued income	75	77
	124	208

15 Creditors: amounts falling due within one year

	2017 £000's	2016 £000's
Trade creditors	11	53
Other creditors	1	-
Accruals and deferred income	158	155
	170	208

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

16	Deferred income	2017	2016
		£000's	£000's
	Deferred income is included within:		
	Creditors due within one year	130	130
		<u> </u>	<u> </u>
	Deferred income at 1 September 2016	130	135
	Released from previous years	(130)	(135)
	Amounts deferred in the year	130	130
		<u> </u>	<u> </u>
	Deferred income at 31 August 2017	130	130
		<u> </u>	<u> </u>

At the balance sheet date the Academy Trust was holding funds received in advance reimbursed trips and Universal Infant Free School Meals.

17	Financial instruments	2017	2016
		£000's	£000's
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	39	131
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	40	78
		<u> </u>	<u> </u>

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

	Balance at 1 September 2016 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2017 £000's
Restricted general funds					
General Annual Grant	-	2,828	(2,914)	86	-
Other DfE / ESFA grants	-	344	(344)	-	-
Other government grants	-	241	(241)	-	-
Other restricted funds	-	5	(5)	-	-
	<u>-</u>	<u>3,418</u>	<u>(3,504)</u>	<u>86</u>	<u>-</u>
Funds excluding pensions	-	3,418	(3,504)	86	-
Pension reserve	(2,765)	-	(399)	1,579	(1,585)
	<u>(2,765)</u>	<u>3,418</u>	<u>(3,903)</u>	<u>1,665</u>	<u>(1,585)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	-	17	-	(17)	-
Fixed asset fund	9,830	-	(257)	134	9,707
	<u>9,830</u>	<u>17</u>	<u>(257)</u>	<u>117</u>	<u>9,707</u>
Total restricted funds	<u>7,065</u>	<u>3,435</u>	<u>(4,160)</u>	<u>1,782</u>	<u>8,122</u>
Unrestricted funds					
General funds	377	248	(112)	(203)	310
	<u>377</u>	<u>248</u>	<u>(112)</u>	<u>(203)</u>	<u>310</u>
Total funds	<u>7,442</u>	<u>3,683</u>	<u>(4,272)</u>	<u>1,579</u>	<u>8,432</u>

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

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

General Annual Grant

General funding provided by ESFA to support running of the school

Other DfE/ESFA grants

This includes funding for pupil premium, and UIFSM.

Other government grants

Other grants funds include grants from Kent County Council to support the classroom extensions and entrance improvements, grants from Ashford Borough Council to support the classroom extensions, the teaching of music within schools, funding provided by Kent County Council for high needs pupils and other various items, grant received to fund cooking lessons within the school, staff sickness insurance and sports funding and PE grant.

Transfer between funds

The transfer between funds represents the purchase of capital items from unrestricted funds and restricted grants, the costs incurred in relation to the Devolved Capital Formula grant and the use of unrestricted funds to fund educational activities.

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 2017.

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £000's	Income £000's	Expenditure £000's	Gains, losses and transfers £000's	Balance at 31 August 2016 £000's
Restricted general funds					
General Annual Grant	-	2,752	(2,745)	(7)	-
Other DfE / ESFA grants	-	366	(366)	-	-
Other government grants	-	177	(177)	-	-
Other restricted funds	-	19	(19)	-	-
	<u>-</u>	<u>3,314</u>	<u>(3,307)</u>	<u>(7)</u>	<u>-</u>
Funds excluding pensions	-	3,314	(3,307)	(7)	-
Pension reserve	(1,278)	-	(166)	(1,321)	(2,765)
	<u>(1,278)</u>	<u>3,314</u>	<u>(3,473)</u>	<u>(1,328)</u>	<u>(2,765)</u>
Restricted fixed asset funds					
Fixed asset fund	9,985	-	(238)	83	9,830
	<u>9,985</u>	<u>-</u>	<u>(238)</u>	<u>83</u>	<u>9,830</u>
Total restricted funds	<u>8,707</u>	<u>3,314</u>	<u>(3,711)</u>	<u>(1,245)</u>	<u>7,065</u>
Unrestricted funds					
General funds	300	275	(122)	(76)	377
	<u>300</u>	<u>275</u>	<u>(122)</u>	<u>(76)</u>	<u>377</u>
Total funds	<u>9,007</u>	<u>3,589</u>	<u>(3,833)</u>	<u>(1,321)</u>	<u>7,442</u>

Total funds analysis by academy

	Total £000's
Fund balances at 31 August 2017 were allocated as follows:	
Furley Park Primary School	203
Hamstreet Primary School	107
	<u>310</u>
Total before fixed assets fund and pension reserve	310
Restricted fixed asset fund	9,707
Pension reserve	(1,585)
	<u>8,432</u>
Total funds	<u>8,432</u>

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000's	Other support staff costs £000's	Educational supplies £000's	Other costs excluding depreciation £000's	Total £000's
Furley Park Primary School	1,495	573	55	392	2,515
Hamstreet Primary School	883	386	16	215	1,500
	<u>2,378</u>	<u>959</u>	<u>71</u>	<u>607</u>	<u>4,015</u>

Funds analysis by academy - previous year

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £000's
Furley Park Primary School	247
Hamstreet Primary School	130
Total before fixed assets fund and pension reserve	<u>377</u>
Restricted fixed asset fund	9,830
Pension reserve	(2,765)
Total funds	<u>7,442</u>

Total cost analysis by academy - previous year

Expenditure incurred by each academy during the previous year was as follows:

	Teaching and educational support staff costs £000's	Other support staff costs £000's	Educational supplies £000's	Other costs excluding depreciation £000's	Total 2016 £000's
Furley Park Primary School	1,508	300	86	342	2,236
Hamstreet Primary School	958	153	36	212	1,359
	<u>2,466</u>	<u>453</u>	<u>122</u>	<u>554</u>	<u>3,595</u>

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Analysis of net assets between funds

	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total 2017 £000's
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	9,707	9,707
Current assets	480	-	-	480
Creditors falling due within one year	(170)	-	-	(170)
Defined benefit pension liability	-	(1,585)	-	(1,585)
	<u>310</u>	<u>(1,585)</u>	<u>9,707</u>	<u>8,432</u>
	<u><u>310</u></u>	<u><u>(1,585)</u></u>	<u><u>9,707</u></u>	<u><u>8,432</u></u>
	Unrestricted Funds £000's	Restricted funds: General £000's	Fixed asset £000's	Total 2016 £000's
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	9,830	9,830
Current assets	585	-	-	585
Creditors falling due within one year	(208)	-	-	(208)
Defined benefit pension liability	-	(2,765)	-	(2,765)
	<u>377</u>	<u>(2,765)</u>	<u>9,830</u>	<u>7,442</u>
	<u><u>377</u></u>	<u><u>(2,765)</u></u>	<u><u>9,830</u></u>	<u><u>7,442</u></u>

20 Pensions and similar obligations

The Academy Trust'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 Kent County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to the TPS in the period amounted to £229k (2016: £223k).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.8 per cent for employers and 5.5 to 7.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £168k.

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.

Total contributions made	2017 £000's	2016 £000's
Employer's contributions	167	141
Employees' contributions	50	40
Total contributions	217	181

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations (Continued)

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	4.2	4.1
Rate of increase for pensions in payment	2.7	2.3
Discount rate	2.6	2.2
Inflation assumption (CPI)	2.7	2.3

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

	2017 Years	2016 Years
Retiring today		
- Males	23.0	22.9
- Females	25.1	25.3
Retiring in 20 years		
- Males	25.2	25.2
- Females	27.4	27.7

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017	2016
Discount rate + 0.1%	-79	-128
Discount rate - 0.1%	+81	+132
Mortality assumption + 1 year	+108	+101
Mortality assumption - 1 year	-105	-98
Long term salary +0.1%	+16	+18
Long term salary -0.1%	-16	-18
Pension increases +0.1%	+65	+114
Pension increases -0.1%	-63	-110

The Academy Trust's share of the assets in the scheme

	2017 Fair value £000's	2016 Fair value £000's
Equities	1,117	770
Other bonds	153	121
Cash	50	27
Gilts	11	10
Property	195	159
Other assets	61	49
Total market value of assets	1,587	1,136
Actual return on scheme assets - gain/(loss)	296	131

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2017 £000's	2016 £000's
Current service cost	506	258
Interest income	(26)	(36)
Interest cost	86	85
Total operating charge	<u>566</u>	<u>307</u>
Changes in the present value of defined benefit obligations	2017 £000's	2016 £000's
Obligations at 1 September 2016	3,901	2,120
Current service cost	506	258
Interest cost	86	85
Employee contributions	50	40
Actuarial (gain)/loss	(1,309)	1,416
Benefits paid	(62)	(18)
At 31 August 2017	<u>3,172</u>	<u>3,901</u>
Changes in the fair value of the Academy Trust's share of scheme assets	2017 £000's	2016 £000's
Assets at 1 September 2016	1,136	842
Interest income	26	36
Actuarial gain	270	95
Employer contributions	167	141
Employee contributions	50	40
Benefits paid	(62)	(18)
At 31 August 2017	<u>1,587</u>	<u>1,136</u>

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

21 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £000's	2016 £000's
Net expenditure for the reporting period	(589)	(244)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(17)	-
Investment income receivable	-	(1)
Defined benefit pension costs less contributions payable	339	117
Defined benefit pension net finance cost	60	49
Depreciation of tangible fixed assets	257	238
Decrease/(increase) in debtors	84	(18)
(Decrease)/increase in creditors	(38)	3
Net cash provided by operating activities	96	144

22 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

23 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £000's	2016 £000's
Amounts due within one year	5	8
Amounts due in two and five years	-	2
	5	10

ACE LEARNING

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

24 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Hamstreet School Association

J Macey is a trustee of Hamstreet School Association. During the period, Ace Learning received donations of £7,359 (2016: £9,528) from Hamstreet School Association.

Highways at Hamstreet

J Macey is a trustee of Highways at Hamstreet. During the period, Ace Learning paid Highways at Hamstreet £8,168 (2016: £244) in respect of school lunch provisions.

Hamstreet School Lunches

J Macey is a trustee of Hamstreet School Lunches. During the period, Ace Learning received a donation from Hamstreet School Lunches of £Nil (2016: £53,119).

Furley Park After School Club

P Ketley was a trustee of Furley Park After School Club until 20 October 2016. During the period, Ace Learning received £1,298. (2016: £7,600) from Furley Park After School Club for use of the school's facilities.

A & R Rice Ltd

R Rice is a director of A & R Rice Ltd. During the period Ace Learning paid £1,836 to A & R Rice Limited (2016: £2,348) for education support services.

E Windon

During the period Ace Learning paid £3,826 to E Windon (2016: £3,900) for data analysis services.

S Taylor

During the period Ace Learning paid £2,466 to S Taylor (2016: £906) for printing services.

25 Members' liability

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