

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report, governance statement & statement on regularity, propriety and compliance	3
Statement of trustees' responsibilities	25
Independent auditors' report on the financial statements	26 - 29
Independent reporting accountant's report on regularity	30 - 31
Statement of financial activities incorporating income and expenditure account	32
Balance sheet	33 - 34
Statement of cash flows	35
Notes to the financial statements	36 - 62

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Margaret Turgoose Linda Brown Clare Babbage (Appointed 1 September 2021) Alison Maddaford Robert Worrell
Trustees	Leah Allen (appointed 27 January 2020, resigned 31 August 2022) ^{1,3,5,6} Lesley Miszewska (appointed 1 April 2019) ^{1,2,3,4,5,6} Jill Elson (appointed 25 September 2019, resigned 31 August 2022) ^{3,4,5,6} Andrew Davis, Principal (appointed 1 September 2017) ^{1,2,3,6,7} Robert Mitchell (appointed 1 April 2019, resigned 14 September 2021) ^{1,3,6} Kim Johnson 1,2,5 (appointed 12 September 2020, resigned 3 September 2021) Anna Streather (appointed 1 September 2021, resigned 31 August 2022) ^{1,4} Elizabeth Lee (appointed 23 April 2019) ^{2,3,6} Emily McGrath, Vice Chair (appointed 11 September 2018) ^{2,3,6} Margaret Turgoose Chair from 12.09.17, Chair (appointed 5 July 2020) ^{1,2,3} Philip Wales (appointed 5 July 2020) ^{1,2} Elizabeth Dymond (appointed 23 April 2019) ^{1,2,4,7} Gary Bowen (appointed 23 September 2019) ^{2,7} Clare Tate (appointed 16 October 2018, resigned 31 August 2022) ^{1,3,5} Anna Stimson (appointed 26 November 2020, resigned 31 August 2022) ² Amy Phillips (appointed 19 November 2020) ^{1,2} Jason Hill (appointed 1 September 2021) ^{1,3,5,7} Daryl Wilkerson (appointed 11 February 2022) ^{1,2} Esther Birch (appointed 11 February 2022, resigned 31 August 2022) ^{2,3,5,6} Claire Wellington-Smith (appointed 27 June 2022) ^{1,4,7} Laura Woodward-Drake (appointed 1 September 2021) ^{1,5} ¹ Human Resources Committee ² Curriculum Committee ³ Resources Committee ⁴ Pay Committee ⁵ Audit Committee ⁶ Value for Money Sub Committee ⁷ Admission Committee
Company registered number	07554085
Company name	Exmouth Community College
Principal and Registered office	Gipsy Lane Exmouth Devon EX8 3AF
Company secretary	Matthew Burrell
Accounting Officer	Andrew Davis

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Senior leadership team

Mr A Davis, Principal
Mr G Allen, Deputy Principal
Mr D Turner, Deputy Principal
Mr M Burrell, Director of Finance and Resources
Ms K Craddock, Assistant Principal
Mr D Holt, Assistant Principal
Mrs L Malton, Assistant Principal
Miss H Miles, Assistant Principal
Mr N Smith, Assistant Principal
Ms P Rowe, Assistant Principal

Independent auditors

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Bankers

Lloyds Bank PLC
22 The Strand
Exmouth
Devon
EX8 1AG

Solicitors

Browne Jacobson
1 Manor Court
Dix's Field
Exeter
Devon
EX1 1UP

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2022. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates as a stand alone secondary academy for pupils aged 11 to 18 in Exmouth. It has a pupil capacity of 2418 and had a roll of 2198 in the school census in May 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Exmouth Community College are also the directors of the Charitable Company for the purposes of company law

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

Members' Liability

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

Trustees' 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 trustees and officers from claims arising from negligent acts, error or omissions occurring whilst on Academy business.

Method of recruitment and appointment or election of Trustees

The Academy's Board of Trustees comprises the Principal, a minimum of 2 Parent Trustees, up to 5 Staff Trustees (providing that the total number of Trustees, including the Principal, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) up to 1 LA trustee and up to 12 other Trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board gives consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development. The Board also considers diversity when recruiting new Trustees and when recently appointing new Trustees used a variety of sources including Inspiring Governance and social media.

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience, but will always include a tour of the Academy and a chance to meet the Principal, staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets and other documents they will need in order to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction can

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

be tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies. Each new Trustee is assigned a mentor.

There is a Trustees' day organised each year as well as Safeguarding, Prevent and GDPR training to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. Trustees are invited to attend any relevant training offered by the LA or other providers.

Organisational Structure

The Board of Trustees normally meets twice each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale. Any powers delegated to committees are clearly defined in their terms of reference and there is a rolling programme established each year for all the committees and the Board of Trustees to ensure meetings are effective.

The committees are as follows;

- **Resources Committee** – Reviews all aspects in relation to the financial management/performance of the College and the Asset Management of the College. It meets six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and receiving reports from the Internal Audit and reviewing the annual budget including setting staffing levels.
- **Curriculum Committee** - meets five times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- **Admissions Committee** - meets twice a year to deal with all matters relating to admissions.
- **Human Resources Committee** – meets at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to staffing, including appraisal, pay and employment issues, and to ensure compliance with employment legislation and relevant local agreements.
- **Audit and Risk Committee** – meets three times a year to provide the Board of Trustees with the necessary assurances and quality control and also reviews and updates the risk register. The committee also receives reports from the Internal Auditor.
- **Pay Committee** – meets twice a year to approve teachers' salaries following recommendations from the Principal / Senior Leadership Team, on whether to award performance pay in line with the College's policy. Membership of the Pay Committee complies with the requirement that at least one member must be different from the PAPR panel.
- **Pay Appeals Committee** – to hear an appeal against any decision made by the Principal or any other committee of the Board of Trustees in accordance with the College's Pay Policy.
- **Principal's Performance Management Group** – meets three times each year to undertake the Principal's appraisal.
- **Other Committees** such as the First Committee (staff discipline), the Complaints Committee and Pupil Discipline Committee who meet on an as and when required basis.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Principal and Clerk to the Trustees, to approve the Annual Academy Improvement Plan and five year budget.

The Trustees are responsible for setting the vision for the Academy, establishing general policy, adopting an annual academy improvement plan, setting a five year budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, agreeing capital expenditure and staff appointments.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Board of Trustees has devolved responsibility for day-to-day management of the Academy to the Principal and Senior Leadership Team (SLT). The SLT comprises the Principal, two Deputy Principals, six Assistant Principals and a Director of Finance and Resources. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Principal is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The pay and conditions of service for the Senior Leadership Team will be in accordance with the regulations applied to the National Negotiated Terms by the School Teachers' Review Body (STRB) outlined in the School Teachers' Pay and Conditions Document (STPCD) and terms agreed by Local Authorities for teachers and support staff who form the management team.

The performance and pay of the Principal is monitored and evaluated annually by the Principal's Appraisal and Pay Review (PAPR) panel which is elected by the Trustees. The panel employ an independent advisor to provide input and advice to this process.

The SLT are appraised and rewarded following National and Local Authority Guidelines.

The Trustees comprise the Board of Trustees and the SLT comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year in respect of their role as a Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the financial statements.

The pay of key management personnel is reviewed annually through the Performance Management process and in addition, normally increased in accordance with national pay increases.

The Trustees benchmark against pay levels in other Academies of a similar size.

**Trade union facility time
Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2 WTE

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	
1%-50%	2 WTE
51%-99%	
100%	

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0 in 2021/22
Provide the total pay bill	£12,132,136
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0 in 2021/22

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	<u>0 in 2021/22</u>
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Related Parties and other Connected Charities and Organisations

The Academy has strong collaborative links with 14 partner primary schools which form part of the Exmouth Learning Community.

Leisure East Devon has part use of the Academy's leisure facilities and there is a shared use agreement between it and the Academy.

In order to deliver an outstanding learning experience for our students the College also has informal links or uses services provided by the South West Institute for Teaching, Leading Schools South West, Future Smart Careers, Coachbright, Scomis/4Matrix and the social thanking platform Thank and Praise Ltd.

In addition, from September 2022 the College will enter into a trust partnership with Education South West which has been agreed by the Department for Education's SW Regional Director.

There are no related parties which either control or significantly influence the decisions and operations of Exmouth Community College. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

Engagement with employees (including persons with disabilities)

The Board of Trustees is committed to the elimination of discrimination and equal treatment in employment. This applies to all stages of employment including recruitment, selection, learning and training, pay, working relationships, carer development, redundancy, and retirement. This commitment is clearly demonstrated and referred to in the many of the Academy Trust policies. No one will unlawfully be disadvantaged on the grounds of age, race or ethnicity, disability, gender and marital status, gender identity, sexual orientation, religion or belief under the operation of this policy.

Engagement with suppliers, customers and others in a business relationship with the Trust

We are committed to fostering an excellent working relationship with all our stakeholders and working closely with all to ensure that we provide the best possible education for every child. We ensure that relationships developed are professional in nature and in the best interests of the Academy.

Vision and Values

The principal objectives and activity of the Charitable Company is the operation of Exmouth Community College to provide free education and care for pupils of different abilities between the ages of 11 and 18.

Our vision is to create a College for the whole of our community that emphasises the importance of progress and innovation alongside more traditional values such as integrity, honesty and respect. For everyone we will provide the skills, knowledge and awareness to enable all to play an active and positive role in their families, workplace and global community. We will do this through world-class teaching delivered by reflective and skilled practitioners, a broad and differentiated curriculum model and opportunities beyond the classroom.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

This vision is underpinned by our six core values of integrity, resilience, creativity, belief in the power of education, embracing challenge and being reflective.

Stakeholders from within our College community have also identified seven key characteristics which they would like school to help them develop, Staying Healthy/ Being Safe, Resilience, Aspiration, Respect, how to be confident communicators, Tolerance, Knowledge and being skilled in applying this knowledge.

This vision is delivered through,

1. Consistently excellent teaching following an inspiring curriculum with assessment that informs learning.
2. Superb pastoral support for all students.
3. A strong commitment to our community.

At Exmouth Community College, we aim to achieve the best for, and from, each student.

Our intention is for every student to realise their full academic, creative and physical potential and to develop positive social and moral values. We wish our Academy to be a happy, high achieving and caring community and one in which young adults, staff, parents and carers feel proud to be a part.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on academic achievement, outstanding pastoral support and inclusion.

Objectives, Strategies and Activities

Key activities and targets were identified in the Academy Improvement Plan 21/22 (AIP) through the self-evaluation that was undertaken at a senior level following the publication of results in 2021 (Assessment Awarded Grades) and links to action points detailed in the March 2021 and July 2021 OFSTED reports.

Clearly, the post-Covid environment that we have been operating within since March 2020 has greatly affected the delivery of the priorities outlined below. The past year has seen significant challenges around Covid related absence as well as staff recruitment issues.

The Academy Improvement Plan (AIP) 21/22 and self-evaluation form were shared with, and agreed by, the Board of Trustees in Autumn 2021. Our Risk Register and Ofsted inspection handbook also play an important part in deciding on our priorities for development.

Our AIP continued to focus on developmental areas that we have identified through our data and Schools Evaluation Form in conjunction with our most recent Ofsted report. The broad areas of development within the AIP were:

Healthy School Culture

- Embedded a personalised 1:1 coaching programme for teaching staff
- Upgrade specific areas of the Estate to improve staff working conditions eg Grange, ICT suite, staffroom
- Reviewed our anti-bullying procedures in conjunction with students to produce a new policy

Exemplary Behaviour

- Joined, and graduated from, the national Behaviour Hubs programme and successfully engaged with their work

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

- Implemented the Progress matrix across all three key stages to identify earlier any students who are underperforming
- Developed Steps provision to support students with their behaviour Post-Covid

High Impact Curriculum

- Trained staff to better understand how to deliver phonics and speech, language and communication in their lessons
- Rolled out of the "Walk Thru" programme to assist staff in developing their pedagogy
- Continued to focus on improving outcomes for our most vulnerable students

Throughout the year the Director of Finance & Resources and his Finance Team continued to receive exemplary audit reports. The College achieved a surplus during the year and are in a financially secure position moving forward subject to additional heating costs and staff wage increases.

Pleasingly, despite Covid and recruitment issues in the construction sector, we continued to progress our Department for Education (DFE) funded £13.5 million new build on Green Close and started work on a new £4 million Maths block as well as completing refurbishment of the Grange administration block and a redevelopment of five IT classrooms and boy's toilets. In addition, a new artificial grass pitch has been laid and the College successfully bid to refurbish the Dance Studio with the work having started in July 2022. However, not all costs above are being met by funds provided by the Academy, see Estates and Facilities section below for details.

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. We will continue to work towards attracting high quality teachers and support staff in order to deliver our objectives.

The Academy will also continue to work with partner schools and teaching Schools Alliances to improve the educational opportunities for students in the wider community and ensure seamless transition for our students when they enter year 7.

The Academy has now received permission to sell the redundant cottage on the Gipsy Lane site and look forward to receiving the income for reinvestment in the estate in the future.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the quality of life for our community.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

GCSE outcomes

At the time of writing, we are still yet to receive clarification about our Progress 8 figure. This is because of the impact over the past two years of Covid which has meant all schools awarding Assessment Awarded Grades (2020) or Centre Assessed Grades (2019).

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

In terms of Assessment 8 we have seen an increase in this value across a wide range of student groups which show a significant improvement from our 2019 results. These improvements in attainment are also reflected in more vulnerable student groups as well such as SEND K and Disadvantaged students. Our overall Attainment 8 score improved by 10% overall with a 17% increase for disadvantaged students from the 2019 value.

The results also show that our expectations around the curriculum offer have increased significantly with more students than ever studying the more academically challenging English Baccalaureate suite of qualifications which includes a language.

Post-16 outcomes

As with GCSE results the use of progress data is unreliable since the starting points for these students was during a time when GCSE grades were awarded according to a different assessment model. However, what we can see is that while outcomes overall have increased in Level 3 courses from their 2019 level, our own increases in performance are above those nationally, meaning our performance has increased more rapidly than national rates. From 2019 benchmarks our A* and A% increased by 13.4% and our A*-B% increased by 16.8%.

Once again students secured a wide range of outcomes after studying with us including a range of apprenticeships, employment and university places across the country from St Andrews and Manchester to Bath and Exeter universities.

Recruitment into the College has also increased substantially with 422 students joining Year 7 with a further 10 students on the waiting list to join despite the College choosing to increase its Planned Admission Number from 390 to 420 students.

Financial performance

Financial control continues to be strong. Throughout the year the academy robustly managed its budget which resulted in a revenue (not capital) surplus of £195,762 against the approved budget deficit of £161,653. The Academy also undertook an Integrated Curriculum Financial Planning (ICFP) review, with further work taking place in 22-23.

Moving forward and considering the increases to Education funding the College is in a good financial position. However, the impact of the non-funded increased pay awards for both teachers and support staff will have a significant impact on the College budget and reserves.

The College submitted all Academy funding returns in line with key dates outlined in the Academy planning calendar produced by the Education & Skills Funding Agency. In addition, the College continues to receive excellent feedback from internal auditors.

Estates & Facilities Development

The Academy continues to work in partnership with the Education & Skills Funding Agency to deliver the successful Priority Schools Building Programme Two project estimated at £13 million. Work on this project started on site in January 2021, is progressing well and due for handover on the 12 April 2023.

Phase 2 of the Maths block with a value estimated at £4 million to provide a further eight classrooms has been agreed by East Devon District Council and Devon County Council and started onsite in July 2022, the project has a forecast completion date of June 2023.

We were delighted to be awarded Condition Improvement Funding (CIF) in the summer of 2020 to upgrade heating systems across the College to the sum of £303,408 and again in the summer of 2021 to provide a new roof, doors, windows, and re-rendering to one of our oldest buildings on the Green Close site at the sum of £149,191. The CIF grant application for the Dance Studio on the Green Close site, to the value of £188,000,

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

was also successful and work started onsite in July 2022 and is anticipated to be completed December 2022. The works consists of new roofs (pitch and flat), new windows, new doors and making good to the structural issue with the flooring. The College also agreed to fund, from Reserve and DFC funding, additional scope items to make good the internal and decoration and other assorted refurbishments. This work is taking place outside the scope of the CIF project but carried out at the same time.

Work on the refurbishment of The Grange started in August 2021 and completed in February 2022. The project included new windows, external doors, external decoration, complete internal refurbishment including flooring, decorations, and minor adaptations to the internal layout. This much needed refurbishment work was funded from Reserves.

During the summer of 2022, the College also committed funds from reserves to refurbish 5 IT suites, Hall 4 and a Boys' WC to the value of £327,000. This refurbishment work included taking down old half height walls, rebuilding into fully enclosed classrooms, new mechanical and electrical installations, new IT benching, new flooring, and complete re-decoration.

The College was also fortunate to have secured £150,000 from East Devon District Council to part fund the re-surface of the largest Astro pitch. Other funding was secured from Leisure East Devon. Work started at the beginning of the summer holidays and was completed on 1 September.

IT Developments

The College is currently working on a five-year IT development plan to ensure the College's IT infrastructure is the best that it can be. Over this period the College will be flooding the College with Wi-Fi technologies to better support mobile devices. Work on the infrastructure and cabling elements of this project were completed over the summer holidays. The College has been working through the CCTV development plan and has so far rolled out 30+ cameras across the site.

In addition, the College is further developing its use of cloud-based technologies such as Microsoft Office 365, SharePoint, OneDrive and Microsoft Teams to further support teaching and learning across the College. A number of onsite servers were upgraded during the October 2022 half-term.

Staff development

Continuing professional development for all staff has been very successful:

- 95% of current staff have completed online Safeguarding training
- Rolling programme of Emergency First Aid at Work training continues, with (17) members of staff undertaking a one-day course, 2 staff undertaking the 3-day Paediatric First Aid Course.
- Safer Recruitment Refresher, Prevent training and Child Protection Refresher training has been undertaken by members of the Senior Leadership Team (SLT) and Governors as required
- Diverse range of training courses attended by staff including; Attachment Based Mentoring, Youth Mental Health First Aid, Emotional Based School Avoidance, Python Programming, Exam Standardisation and Moderation, Inclusive Classrooms, Concussion Awareness, Coaching Trampolining
- Various members of SLT and Teaching staff have had visits with other Schools and Academies to share best practices.
- The Estates and Facilities Team continue to update their Health & Safety training requirements, including Asbestos Awareness and Legionella Awareness
- The Catering Team continue to update their Food & Hygiene training requirements
- Rolling programme of Manual Handling training continuing, with (13) members of staff undertaking an online training course.
- Various members of teaching staff have undertaken ECT and NPQ Training.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

- Two members of teaching staff have undertaken the Chartered Teacher Programme.
- The Technology Department have completed training on various pieces of machinery.
- Information shared with all staff to include Emergency Evacuation Induction/Refresher, Asbestos Induction, Working at Height
- Three members of staff and two casual members of staff refreshed their minibus driving certification
- One member of the HR team continued with their CIPD Level 5 Diploma in HR Management
- Since investing in the new subscription for The National College, over 1,000 hours of CPD has been undertaken by staff and governors.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £361,998 of GAG was carried forward representing 3% of GAG.

Key Performance indicators / ICFP Metrics	As at 31.08.22
Total Teaching Staff Costs as a % of Total Income	57%
Educational Support Staff as % of Total Income	12%
Total Staff Costs as a % of Total Income	81%
Total Staff Costs as a % of Total Expenditure	81%

Going Concern

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

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2022 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which 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 useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2022 (excluding restricted fixed asset and pension reserve), the Academy received total income of £14,174,183 and incurred total expenditure of £13,978,420. The excess of expenditure over income for the year was £646,938 and after transfers to restricted fixed asset fund of £842,701.

At 31 August 2022 the net book value of fixed assets was £26,453,298 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2013 at £25,504,593. Other assets acquired on conversion were included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Principal, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included:

Write off / Asset Disposal Policy
Procurement and Tendering Policy
Investments Policy
Declaration of Business Interest Policy
Business Continuity Plan
Trustees Allowances & Expenses
Charges & Remissions Policy
Pupil Premium Policy

The Trustees have appointed an Internal Auditor to undertake a programme of internal checks on the financial controls. During the year, the Trustees have received three internal audit visits from the Internal Auditor which contained no matters of significance.

Reserves Policy

The Trustees 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 Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £1,000,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants with the large capital projects currently being undertaken. In year, Trustees reviewed carefully the amount of free reserves and transferred £842,701 to the restricted fixed asset fund to fund significant building refurbishments and capital projects, some of which are still ongoing and due for completion in the next financial year. In addition, further expenditure is planned to the approx. value of £150,000 to equip the two large new builds with Furniture, Fixtures and Equipment. Also, additional expenditure from Reserve is expected to the approximate value of £100,000, to continue the roll out of the College wide Wi-Fi and CCTV projects.

The remainder of the Reserve is needed to provide a cushion to deal with unexpected emergencies such as urgent maintenance as well as mitigating the impact in reductions or increases in student numbers and forecasted in-year deficit budget positions.

Total reserves of the academy amount to £27,670,917 although £25,549,800 of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £2,121,117 (representing £1,759,119 unrestricted funds and £361,998 unspent GAG) is the balance that the Trustees monitor in accordance with the Boards reserve policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no immediate actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods. The College invested £500,000 in a 32-day notice account and a further £100,000 is invested daily. These amounts were carefully considered given the level of free reserves whilst making payments for large capital projects and the impact on cashflow.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Principal and Finance Director within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 94% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. The recruitment of staff has been especially challenging throughout the year and has resulted in some posts being covered by agency staff.

Fraud and mismanagement of funds - The Academy has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register, and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small but increasing due to lower numbers at Post 16. However, the recent changes to teachers' and support pay awards, significant increases in energy costs, high inflationary costs due to the cost of living rises and rising estates and facilities costs mean that budgets will be increasingly tight in coming years. A containment plan for the 2022-23 financial year and beyond is being drafted due to the significant and increasing pressure on the College budget.

The Trustees examine the financial position, formally, six times a year, although management accounts are produced monthly. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resources Committee meetings. The Trustees also regularly review cash flow forecasts, investments, balance sheet and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

Where possible the Academy looks to generate additional funds, and this is undertaken internally by staff using the local authority Devon funding news to review what sources of funding are available to Schools and Colleges. In addition, we are working with Future First to establish an alumni database which will primarily be used for careers work but may also be a source of voluntary contributions in the future. The College has been successful with sourcing additional funding of £188,676 in 2022-23 from the Condition Improvement Fund.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2021 to 31 August 2022	1 September 2020 to 31 August 2021
Energy consumption used to calculate emissions (kWh)	2,037,387	2,245,253
Energy consumption break down (kWh) (optional)		
• gas,	1,201,408	1,482,300
• electricity,	822,378	760,716
• transport fuel	13,601	2,237
<u>Scope 1 emissions in metric tonnes CO₂e</u>	220.04	271.49
Gas consumption	3.49	5.60
Owned transport – mini-buses	223.53	277.09
<u>Total scope 1</u>		
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	174.61	161.52

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	0	0
Total gross emissions in metric tonnes CO2e	398.15	438.61
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.17	0.20

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

PLANS FOR FUTURE PERIODS

Our Academy Improvement Plan for 2022/23 will be based around two key areas,

Priority Development Area 1: Promotion of a healthy school culture

- Completion of the Well Being Award including delivery of a Student Wellness Plan
- Consistent implementation of our behaviour systems to ensure a calm and orderly estate
- Implement a new staff appraisal system using Blue Sky

Priority Development Area 2: Improving the progress for all students

- Consistent implementation of the ECC teaching principles in every lesson
- Consistent implementing visible strategies for students with special educational needs
- Improving the motivation of students to achieve their very best

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITOR

In so far as the Trustees are aware:

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

The external auditor has been re-tendered, and Griffin Chartered Accountants have been appointed as the Academy auditors from 1 September 2022.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 6/12/22 and signed on the board's behalf by:



**Margaret Turgoose
Chair of Trustees**

GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Exmouth Community College and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Turgoose (Chair)	7	9
L Miszewska	8	9
A Davis (Principal & Accounting Officer)	9	9
R Mitchell	0	1
C Wellington-Smith	1	1
C Tate	2	5
E McGrath (Vice Chair)	9	9
A Streather	3	9
E Dymond	5	9
E Lee	9	9
J Elson	7	9
A Stimson	7	9
P Wales (on sabbatical for 2 meetings)	5	7
G Bowen	7	9
L Allen (Sabbatical from 23.03.21)	0	0
J Hill	8	9
A Phillips	4	9
L Woodward-Drake	7	9
E Birch	2	4
D Wilkerson	2	4

The Board of Trustees reviews its processes and impact on an ongoing basis. Specifically, this year the following were undertaken:

1. Three Internal Audit visits were undertaken during 2021-2022, see below for details of the areas covered, there were only minor recommendations made.
2. To ensure that we have an effective Board of Trustees, we review the skills of the Board of Trustees on an annual basis, based on the skills audit (recommended by the National Association of Governors). This informs plans for training to be undertaken by individuals. It also inputs to discussions about where there might be skills gaps and therefore how, when looking for new Governors, we might attempt to fill these. This year 8 trustees resigned from the Board and 6 were recruited
3. The focus of the Board this year has been to support the Principal and his Senior Leadership Team in dealing with the ongoing implications created by the pandemic within the context of the return to "normal" in the College

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

and the drive to deliver the priorities within the Academy Improvement plan. The Board has continued to monitor the budget closely to ensure that we were still in a robust financial position at the year end.

4. The Board of Trustees review and input to the College's Self Evaluation document which informs the annual academy Improvement Plan. This includes Governance as part of Leadership and Management.

In the academic year 2021-2022 the key actions taken by the Board were to:

- i) Monitor and evaluate the return of students back into College and a return to external exams following the disruption of the previous two years.
- ii) Continue succession planning for changes to membership of the Board.
- iii) Support the work to bid for grants to replace outdated buildings and plan to increase capacity for when student numbers increase.
- iv) Take a strategic overview of the plans put in place to respond to the Ofsted inspections in March and July 2021 with a particular focus on the Curriculum.
- v) Monitor student and staff wellbeing throughout the year and ensure both were being supported during a very difficult time due to the ongoing impact of the pandemic.
- vi) Continue to monitor the spend and effectiveness of pupil premium and catch-up funding.
- vii) Review and monitor the College risk assessment throughout the year.
- viii) Review and monitor the work being done to support Children in Care, SEND and Disadvantaged students.
- ix) Consider the options for forming a partnership with a MAT and ensure that a partnership was in place by the end of the summer term 2022.

5. Our committees have a clear focus and work in parallel so that there is no overlap. All agenda items have a clear purpose and outputs and identify where and how they impact on the Academy Improvement Plan. We review our Risk Management strategy actively through each committee to ensure that we have ownership of the mitigating actions. We have two Lead Governors for key areas such as: Pupil Premium, Behaviour, SEND, Safeguarding and Health and Safety and one Lead Governor for Children in Care, Careers and Communication. All meet the relevant SLT link in order to question and monitor in more detail the plans and actions being taken in these areas. These Governors report back to the relevant committee.

Governance Review

In January 2020, we commissioned Babcock to carry out a Governance Review. Out of 65 areas the Academy was judged as 58 being green, which is no action or minimal change required and 7 areas as amber which is "Less urgent action required/ Action underway but not embedded" and there were no red which is action required immediately. The report was discussed by Governors and Members and a plan put in place to address the areas rated as amber. For example, one comment related to succession planning for the Board. As a result, we have ensured that there are vice Chairs in place on the committees who have been able to take over from Chairs of Committees as several longstanding and experienced members of the Board have stood down this year.

Additionally, every summer the Chair of Governors meets with each governor to review governance from the previous year and consider any feedback and / or suggestions for the following year.

Our intention will be to review progress against the actions in our improvement plan on an internal basis (since there were no significant issues raised) and undertake another independent review in 2024. However, we also intend to undertake a joint benchmarking review with another The Board of Trustees during 2023 in order to share best practice.

The Academies Trust Handbook sets out that the Board and its committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective management arrangements.

It states that board meetings **must** take place **at least three times a year** and larger trusts should consider meeting more frequently. The Board of Trustees has met 9 times this year.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Governance was reviewed by the Internal Auditor, Griffin Accountants, in March 2022 and the areas covered were:

Leases
Declarations of Interest
Membership Independence
Staff Members serving as Trustees
Governance Professional
Related Party Transactions
ESFA Accounting Officer Letters
Gifts and Hospitality Policy
Frequency of Board meetings
Governance Structure
Reserved spaces for parents in governance structure
Submission of statutory accounts to the ESFA
Provision of information
Board Performance and Effectiveness
Staff severance payments
Information on the academy's website
Disclosure of higher paid staff on Trust website
Audit Committee
DBS checks
Scheme of delegation
Availability of board meeting minutes for public inspection
Retender for external audit

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to review all aspects in relation to the financial management / performance of the College and the Asset Management of the College. It meets six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Director of Finance and Resources and reviewing and recommending the 5 year budget including setting staffing levels

Trustee	Meetings attended	Out of a possible
Jill Elson	5	6
Andrew Davis	5	6
Emily McGrath	6	6
Elizabeth Lee	6	6
Lesley Miszewska	6	6
Margaret Turgoose	6	6
Laura Woodward-Drake	2	4
Esther Birch	2	3
Clare Tate	2	2
Leah Allen (Sabbatical)	0	0

The Audit and Risk Committee meets three times a year to provide the Board of Governors with the necessary assurance and quality control. It is the Audit and Risk Committee's responsibility to ensure that high risk areas are being tested and reviewed by the internal auditors where possible. The Audit and Risk Committee has agreed that what the internal auditor tests currently is appropriate.

Attendance at meetings in the year was as follows:

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustee	Meetings attended	Out of a possible
Lesley Miszewska	3	3
Jill Elson	3	3
Jason Hill	3	3
Esther Birch	1	1
Leah Allen (Sabbatical)	0	0
Clare Tate (Sabbatical)	0	0

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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Reviewing timely monthly management accounts and cashflow
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar Academies using data provided by the ESFA; the Government and Kreston benchmark reports.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of students' learning to enable students to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.
- Membership of the schools buying hub.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks 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 Exmouth Community College for the period from 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2021 to 31 August

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy 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 Trustees
- Provision of monthly management accounts which are scrutinised by the Accounting Officer; Chair of Trustees and Chair of Resources.
- Regular reviews by the Resources Committee/Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes; this scrutiny occurs six times per annum.
- Regular review of cashflow, investments, disposal of assets and the balance sheet.
- Regular review of financial performance against the KPIs.
- Clearly defined purchasing (assets purchase or capital investment) guidelines.
- Ensuring that budget virements are fully authorised.
- Ensuring regular review of contracts.
- Ensuring regular review of inventories.
- Delegation of authority and segregation of duties.
- Identification and management of risks.
- Annual Review of the Fraud Checklist.
- Robust Scrutiny by the Internal Auditor.
- Maintenance of a master list of business interests which is reviewed when new Governors are appointed.
- Annual Review of the New Academies Handbook to ensure compliance.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Griffin Chartered Accountants as internal auditor.

The internal auditor role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

Visit 1 –Work completed December 2021

Purchases and cash payments

- Walkthrough of purchase systems
Controls testing on a sample of purchases
- Tender process review
- Review of bank reconciliations
- Staff permissions and segregation of duties
- Staff expense claims

Financial budgeting and monitoring

- Trustee approval of school budget
- Financial information provided to Trustees
- Evidence of financial challenge by Trustees
- Timely submission of ESFA returns
- Resource Committee meeting frequency and appropriate review
- Senior Leadership Team awareness of performance/budgets

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Recommendations

There were two recommendations, both of which have been actioned.

Visit 2 - Work completed 23rd March 2022

Governance and regularity

- Compliance with the Academy Trust Handbook
- Review of leases
- Trustee interests and related parties
- Gifts, Hospitality, and awards
- Governance details provided on school website
- Risk register and Trustee approval

Business continuity plan

- Review and evaluation of the continuity plan

Recommendations

There was one recommendation which has been actioned.

Visit 3 - Work completed 15th July 2022

Fixed assets

- Process and procedures around the acquisition and disposal of
- Fixed assets
- Maintenance of a fixed asset register
- Capital projects

Income and cash receipts

- Processes and controls around main ESFA grant income and pupil premium
- Process and controls for invoiced income
- Process and controls for non-invoiced income
- Bad debt recovery procedures

Risk management

- Risk register and Trustee approval

Recommendations

There was one recommendation which has been addressed.

As reports are received from the internal auditors, the Audit & Risk Committee and Resources Committee review them.

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 internal auditor
- The work of the external auditor
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit & Risk Committee / Resources Committee and was pleased with the high level of assurances provided.

Approved by order of the members of the Board of Trustees on **6-12-22** and signed on their behalf by:



Margaret Turgoose
Trustee



Andrew Davis
Accounting Officer

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Exmouth Community College have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with 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 Trust Handbook 2021.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Trust Handbook 2021.

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



Andrew Davis
Accounting Officer
Date: 31/12/22

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

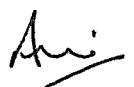
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Margaret Turgoose
Chair of Trustees

Date: 6/12/22



Andrew Davis
Accounting Officer

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EXMOUTH COMMUNITY COLLEGE**

Opinion

We have audited the financial statements of Exmouth Community College (the 'Academy Trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EXMOUTH COMMUNITY COLLEGE (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual Report and Financial Statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Academy'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 Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EXMOUTH COMMUNITY COLLEGE (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
EXMOUTH COMMUNITY COLLEGE (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

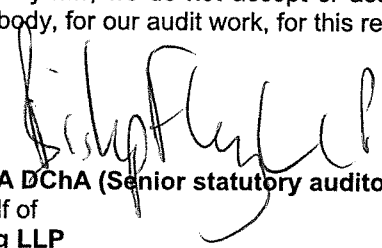
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

Use of our report

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



Tim Borton FCA DChA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

15 Dec 2022

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EXMOUTH
COMMUNITY COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 13 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Exmouth Community College during the year 1 September 2021 to 31 August 2022 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 Exmouth Community College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Exmouth Community College 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 Exmouth Community College and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Exmouth Community College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Exmouth Community College's funding agreement with the Secretary of State for Education dated 1 April 2011 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We have also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

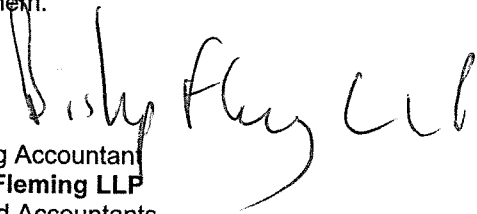
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statement where appropriate and included analytical review and detailed substantive testing of transactions.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EXMOUTH
COMMUNITY COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Reporting Accountant
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

16 Dec 2022

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	1,039	-	639,875	640,914	1,795,153
Other trading activities	6	212,735	-	-	212,735	36,430
Investments	7	734	-	-	734	5,368
Charitable activities	4	599,587	13,360,089	-	13,959,676	13,379,571
Total income		814,095	13,360,089	639,875	14,814,059	15,216,522
Expenditure on:						
Charitable activities		1,448,780	13,642,640	681,718	15,773,138	14,634,470
Total expenditure		1,448,780	13,642,640	681,718	15,773,138	14,634,470
Net income/ (expenditure)		(634,685)	(282,551)	(41,843)	(959,079)	582,052
Transfers between funds	19	-	(842,701)	842,701	-	-
Net movement in funds before other recognised gains/(losses)		(634,685)	(1,125,252)	800,858	(959,079)	582,052
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	9,377,000	-	9,377,000	(448,000)
Net movement in funds		(634,685)	8,251,748	800,858	8,417,921	134,052
Reconciliation of funds:						
Total funds brought forward		2,393,805	(10,330,750)	27,189,942	19,252,998	19,118,946
Net movement in funds		(634,685)	8,251,748	800,858	8,417,921	134,052
Total funds carried forward		1,759,120	(2,079,002)	27,990,800	27,670,918	19,252,998

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 36 to 62 form part of these financial statements.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07554085**

**BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	26,453,298	25,545,152
		<u>26,453,298</u>	<u>25,545,152</u>
Current assets			
Stocks	15	6,768	7,252
Debtors	16	1,075,776	1,196,009
Investments	17	601,114	101,104
Cash at bank and in hand		2,962,290	4,057,030
		<u>4,645,948</u>	<u>5,361,395</u>
Creditors: amounts falling due within one year	18	(987,329)	(948,550)
Net current assets		<u>3,658,619</u>	<u>4,412,845</u>
Total assets less current liabilities		<u>30,111,917</u>	<u>29,957,997</u>
Defined benefit pension scheme liability	26	(2,441,000)	(10,705,000)
Total net assets		<u><u>27,670,917</u></u>	<u><u>19,252,997</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	27,990,800	27,189,942
Restricted income funds	19	361,998	374,250
		<u>28,352,798</u>	<u>27,564,192</u>
Restricted funds excluding pension asset	19	28,352,798	27,564,192
Pension reserve	19	(2,441,000)	(10,705,000)
Total restricted funds	19	<u>25,911,798</u>	<u>16,859,192</u>
Unrestricted income funds	19	<u>1,759,119</u>	<u>2,393,805</u>
Total funds		<u><u>27,670,917</u></u>	<u><u>19,252,997</u></u>

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07554085**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022**

The financial statements on pages 32 to 62 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:

~~6~~ 6 11/21/22



Margaret Turgoose
Chair of Trustees

The notes on pages 36 to 62 form part of these financial statements.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(494,729)	371,650
Cash flows from investing activities	22	(100,000)	869,308
Change in cash and cash equivalents in the year		(594,729)	1,240,958
Cash and cash equivalents at the beginning of the year		4,158,135	2,917,177
Cash and cash equivalents at the end of the year	23, 24	3,563,406	4,158,135

The notes on pages 36 to 62 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy'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 has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

- **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.

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TANGIBLE FIXED ASSETS

Assets costing £1,500 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. 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 at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.6 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

Long-term leasehold property	- 2% straight line
Computer equipment	- 33% straight line
Fixtures, Furniture and Equipment	- 20% straight line
Leasehold land	- over length of lease (125 years)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.7 STOCKS

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

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 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 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.

1.11 OPERATING LEASES

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

1.13 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 31.

1.14 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.15 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 Part 11, chapter 3 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.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.'

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	1,039	-	1,039	43,165
Capital Grants	-	639,875	639,875	1,751,988
TOTAL 2022	1,039	639,875	640,914	1,795,153
TOTAL 2021	1,475	1,793,678	1,795,153	

4. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from charitable activities - Education	599,587	13,360,089	13,959,676	13,379,571
TOTAL 2021	696,887	12,682,684	13,379,571	

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Funding for the Academy's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
EDUCATION				
DfE/ESFA GRANTS				
OTHER DfE/ESFA GRANTS				
General Annual Grant	-	12,058,737	12,058,737	11,109,122
Other DfE/ESFA grants	-	283,488	283,488	9,596
Pupil Premium	-	506,842	506,842	389,817
Teachers Pay Grant	-	22,073	22,073	156,235
Teachers Pension Grant	-	62,374	62,374	441,480
Others	-	48,336	48,336	-
	-	-	12,981,850	12,106,250
OTHER GOVERNMENT GRANTS				
High Needs	-	366,239	366,239	304,606
Growth Funding	-	-	-	54,800
	-	366,239	366,239	359,406
Other income from the Academy's educational operations	599,587	-	599,587	711,783
COVID-19 ADDITIONAL FUNDING (DfE/ESFA)				
Catch-up Premium	-	12,000	12,000	202,132
	-	12,000	12,000	202,132
	599,587	13,360,089	13,959,676	13,379,571
	599,587	13,360,089	13,959,676	13,379,571
TOTAL 2021	696,887	12,682,684	13,379,571	

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 Additional Funding".

The funding received for coronavirus exceptional support relates to £12,000 of supplementary funding. These costs are included in notes 8 and 9 below as appropriate.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Lettings	91,627	91,627	36,430
Catering Income (Visitors & Staff)	39,742	39,742	-
Other	81,366	81,366	-
TOTAL 2022	<u>212,735</u>	<u>212,735</u>	<u>36,430</u>
TOTAL 2021	<u>36,430</u>	<u>36,430</u>	

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	734	734	5,368
TOTAL 2021	<u>5,368</u>	<u>5,368</u>	

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Education:					
Direct costs	10,729,594	445,001	1,377,109	12,551,704	10,691,167
Allocated support costs	1,402,542	1,112,345	706,547	3,221,434	3,943,303
TOTAL 2022	<u>12,132,136</u>	<u>1,557,346</u>	<u>2,083,656</u>	<u>15,773,138</u>	<u>14,634,470</u>
TOTAL 2021	<u>11,561,283</u>	<u>1,671,734</u>	<u>1,401,453</u>	<u>14,634,470</u>	

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Education	12,551,704	3,221,434	15,773,138	14,634,470
TOTAL 2021	10,691,167	3,943,303	14,634,470	

Analysis of direct costs

	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	177,000	177,000	152,000
Staff costs	10,729,594	10,729,594	9,180,255
Depreciation	596,184	596,184	562,706
Educational supplies	460,606	460,606	438,122
Examination fees	174,215	174,215	161,374
Staff development	18,883	18,883	16,968
Other costs	144,093	144,093	147,951
Supply teachers	30,111	30,111	31,791
Technology costs	221,018	221,018	-
	12,551,704	12,551,704	10,691,167
TOTAL 2021	10,691,167	10,691,167	

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,402,542	1,402,542	2,381,028
Depreciation	85,534	85,534	157,668
Other costs	156,091	156,091	-
Recruitment and support	21,145	21,145	13,026
Maintenance of premises and equipment	279,494	279,494	103,374
Cleaning	328,084	328,084	336,455
Rent and rates	60,957	60,957	115,542
Energy costs	152,774	152,774	212,181
Insurance	54,319	54,319	41,622
Security and transport	63,219	63,219	64,022
Catering	305,894	305,894	254,580
Technology costs	-	-	101,540
Office overheads	262,341	262,341	121,558
Legal and professional	31,112	31,112	24,523
Bank interest and charges	-	-	496
(Profit) / Loss on disposal of fixed assets	-	-	(2,200)
Governance	17,928	17,928	17,888
	3,221,434	3,221,434	3,943,303
TOTAL 2021	3,943,303	3,943,303	

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2022 £	2021 £
Operating lease rentals	23,434	67,732
Depreciation of tangible fixed assets	681,719	720,374
Loss on disposal of fixed assets	-	2,200
Fees paid to auditors for:		
- audit	13,950	11,700
- other services	3,450	3,200

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	8,566,982	8,246,426
Social security costs	831,447	784,643
Pension costs	2,703,596	2,498,423
	12,102,025	11,529,492
Agency staff costs	30,111	31,791
	12,132,136	11,561,283

Staff restructuring costs comprise:

	2022	2021
	£	£
Severance payments	1,702	-
	1,702	-

b. Severance payments

The Academy paid 1 severance payments in the year (2021 - 0), disclosed in the following bands:

	2022	2021
	No.	No.
£0 - £25,000	1	-

c. Staff numbers

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

	2022	2021
	No.	No.
Teachers	147	146
Administration and support	143	148
Management	10	9
	300	303

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	120	120
Administration and support	88	100
Management	10	9
	218	229

d. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	2	2
In the band £130,000 - £140,000	1	1

e. Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their roles as Trustees) and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £951,896 (2021 £929,019).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Trustees' remuneration and expenses

During the year ended 31 August 2022, expenses totalling £31 were reimbursed or paid directly to Trustee (2021 - £16 to 1 Trustee).

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration including pension contributions in respect of defined benefit schemes in the year was as follows; A Davis (Headteacher): Remuneration £135,000 - £140,000 (2021: £135,000 - £140,000), employer's pension contributions £30,000 - £35,000 (2021: £30,000 - £35,000); A Phillips: Remuneration £45,000 - £50,000 (2021: £25,000 - £30,000) employer's pension contributions £5,000 - £10,000 (2021: £5,000 - £10,000); G Bowen: Remuneration £40,000 - £45,000 (2021: £40,000 - £45,000) employer's pension contributions £5,000 - £10,000 (2021: £5,000 - £10,000).

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2021	31,195,596	3,064,673	276,122	35,247	34,571,638
Additions	1,431,335	64,483	94,046	-	1,589,864
Disposals	-	(155)	-	-	(155)
At 31 August 2022	32,626,931	3,129,001	370,168	35,247	36,161,347
DEPRECIATION					
At 1 September 2021	5,774,684	3,017,860	200,505	33,437	9,026,486
Charge for the year	569,751	31,726	78,432	1,810	681,719
On disposals	-	(155)	-	-	(155)
At 31 August 2022	6,344,435	3,049,430	278,937	35,247	9,708,049
NET BOOK VALUE					
At 31 August 2022	26,282,496	79,571	91,231	-	26,453,298
At 31 August 2021	25,420,912	46,813	75,617	1,810	25,545,152

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. Tangible fixed assets (continued)

The Academy's transactions relating to long-term leasehold property relate to development and improvements to existing property on the existing Academy site.

15. Stock

	2022	2021
	£	£
Catering	6,768	7,252
	<u><u>6,768</u></u>	<u><u>7,252</u></u>

16. Debtors

	2022	2021
	£	£
DUE WITHIN ONE YEAR		
Trade debtors	138,473	20,363
Other debtors	27,229	1,195
Prepayments and accrued income	732,939	1,072,099
VAT recoverable	177,135	102,352
	<u><u>1,075,776</u></u>	<u><u>1,196,009</u></u>

17. Current asset investments

	2022	2021
	£	£
Unlisted investments (liquid)	601,114	101,104
	<u><u>601,114</u></u>	<u><u>101,104</u></u>

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	208,404	12,640
Other taxation and social security	-	192,141
Other creditors	122,542	439,362
Accruals and deferred income	656,383	304,407
	<u>987,329</u>	<u>948,550</u>
	2022 £	2021 £
Deferred Income at 31 August 2021	38,029	98,196
Resources deferred during the year	100,992	38,029
Amounts released from previous periods	(38,029)	(98,196)
Deferred income at 31 August 2022	<u>100,992</u>	<u>38,029</u>

At the balance sheet date the Academy was holding funds received in advance for rates, music, clubs and trip income.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
Reserves	2,393,805	814,094	(1,448,780)	-	-	1,759,119
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	374,250	12,058,738	(11,228,289)	(842,701)	-	361,998
Pupil Premium	-	506,842	(506,842)	-	-	-
Teachers Pay Grant	-	22,073	(22,073)	-	-	-
Teachers Pension Grant	-	62,374	(62,374)	-	-	-
Other DfE Grants	-	171,217	(171,217)	-	-	-
SEN	-	366,239	(366,239)	-	-	-
Other	-	172,606	(172,606)	-	-	-
Pension reserve	(10,705,000)	-	(1,113,000)	-	9,377,000	(2,441,000)
	(10,330,750)	13,360,089	(13,642,640)	(842,701)	9,377,000	(2,079,002)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	20,798,866	-	(455,463)	-	-	20,343,403
Fixed assets purchased from GAG and other restricted funds	105,664	-	(104,540)	842,701	-	843,825
DfE/ ESFA Capital grants	3,711,622	196,439	(73,226)	-	-	3,834,835
Donation	27,933	-	(13,758)	-	-	14,175
Local Authority	2,455,210	381,585	(31,246)	-	-	2,805,549
Other capital grants	99,001	61,851	(3,485)	-	-	157,367
Salix Loan	(8,354)	-	-	-	-	(8,354)

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
	27,189,942	639,875	(681,718)	842,701	-	27,990,800
TOTAL RESTRICTED FUNDS	16,859,192	13,999,964	(14,324,358)	-	9,377,000	25,911,798
TOTAL FUNDS	19,252,997	14,814,058	(15,773,138)	-	9,377,000	27,670,917

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds (continued)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) - income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Special Needs Funding - funding received by the Local Authority to fund further support for students with additional needs.

Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

COVID-19 Catch Up relates to catch up funding received to assist in mitigating against the impact that the pandemic has had on pupil outcomes.

Other restricted funds includes academy growth funding received by the local authority to meet the costs of increased pupil numbers

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion - this represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG - this represents funds transferred from the restricted GAG fund to purchase fixed assets.

DfE/ESFA Capital Grants - these funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts less associated finance

Donated Fixed Assets - This represents the net book value of laptops donated to the Academy to ensure all students had the ability to continue school work from homing during the pandemic together with the net book value of other assets purchased using donated funds.

Local Authority - these funds were received from the local authority to assist the Academy in a major build project undertaken and were restricted to use within this project.

Other capital grants - these funds were received from third parties for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts.

Other information

There has been a transfer between GAG and the restricted fixed asset fund. This relates to the GAG that has been used to fund the acquisition of tangible fixed assets.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
Reserves	1,976,347	740,160	(322,702)	-	-	2,393,805
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	477,617	11,706,837	(11,744,547)	(65,657)	-	374,250
Pupil Premium	-	304,606	(304,606)	-	-	-
Teachers Pension Grant	-	389,816	(389,816)	-	-	-
Other DfE Grants	-	202,132	(202,132)	-	-	-
SEN	-	79,293	(79,293)	-	-	-
Pension reserve	(9,386,000)	-	(871,000)	-	(448,000)	(10,705,000)
	<u>(8,908,383)</u>	<u>12,682,684</u>	<u>(13,591,394)</u>	<u>(65,657)</u>	<u>(448,000)</u>	<u>(10,330,750)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	21,321,769	-	(522,903)	-	-	20,798,866
Fixed assets purchased from GAG and other restricted funds	104,246	-	(64,239)	65,657	-	105,664
DfE/ ESFA Capital grants	3,604,276	192,603	(93,611)	8,354	-	3,711,622
Donation	-	41,690	(13,757)	-	-	27,933
Local Authority	919,439	1,559,385	(23,614)	-	-	2,455,210
Other capital grants	101,251	-	(2,250)	-	-	99,001
Salix Loan	-	-	-	(8,354)	-	(8,354)
	<u>26,050,981</u>	<u>1,793,678</u>	<u>(720,374)</u>	<u>65,657</u>	<u>-</u>	<u>27,189,942</u>

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
TOTAL RESTRICTED FUNDS	17,142,598	14,476,362	(14,311,768)	-	(448,000)	16,859,192
TOTAL FUNDS	19,118,945	15,216,522	(14,634,470)	-	(448,000)	19,252,997

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	26,453,297	26,453,297
Current assets	1,750,766	1,349,326	1,545,857	4,645,949
Creditors due within one year	8,353	(987,328)	(8,354)	(987,329)
Defined benefit pension scheme liability	-	(2,441,000)	-	(2,441,000)
TOTAL	1,759,119	(2,079,002)	27,990,800	27,670,917

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	25,545,152	25,545,152
Current assets	2,393,806	1,314,446	1,653,144	5,361,396
Creditors due within one year	-	(940,196)	(8,354)	(948,550)
Defined benefit pension scheme liability	-	(10,705,000)	-	(10,705,000)
TOTAL	2,393,806	(10,330,750)	27,189,942	19,252,998

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

21. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(959,079)	582,052
ADJUSTMENTS FOR:		
Depreciation	681,563	720,374
Capital grants from DfE and other capital income	(639,875)	(1,793,678)
Interest receivable	(734)	(5,368)
Defined benefit pension scheme cost less contributions payable	936,000	719,000
Defined benefit pension scheme finance cost	177,000	152,000
Decrease/(increase) in stocks	484	(1,896)
Increase in debtors	(431,230)	(27,607)
(Increase)/decrease in creditors	(258,858)	28,973
Profit on disposal of tangible fixed assets	-	(2,200)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(494,729)	371,650

22. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	734	5,368
Purchase of tangible fixed assets	(1,292,071)	(464,645)
Capital grants from DfE Group	1,191,337	1,326,385
Disposal of tangible fixed assets	-	2,200
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(100,000)	869,308

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	2,962,292	4,057,031
Notice deposits (less than 3 months)	601,114	101,104
TOTAL CASH AND CASH EQUIVALENTS	3,563,406	4,158,135

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

24. Analysis of changes in net funds

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	4,057,031	(1,094,739)	2,962,292
Liquid investments	101,104	500,010	601,114
	<u>4,158,135</u>	<u>(594,729)</u>	<u>3,563,406</u>

25. Capital commitments

	2022 £	2021 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>3,824,662</u>	<u>376,757</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,341,560 (2021 - £1,307,608).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £635,000 (2021 - £617,000), of which employer's contributions totalled £490,000 (2021 - £474,000) and employees' contributions totalled £ 145,000 (2021 - £143,000). The agreed contribution rates for future years are 17.6 per cent plus £64,000 per annum for employers and 5.5 - 12.5 per cent for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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

Principal actuarial assumptions

	2022	2021
	%	%
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.95	2.90

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

	2022	2021
	Years	Years
Retiring today		
Males	21.7	22.7
Females	22.9	24.0
Retiring in 20 years		
Males	23.0	24.0
Females	24.3	25.4

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

26. Pension commitments (continued)

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	(265)	(460)
Discount rate -0.1%	271	472
Mortality assumption - 1 year increase	343	783
Mortality assumption - 1 year decrease	(333)	(753)
CPI rate +0.1%	250	418
CPI rate -0.1%	(244)	(408)

Share of scheme assets

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

	At 31 August 2022	At 31 August 2021
	£	£
Equities	4,886,000	5,677,000
Gilts	-	1,161,000
Corporate bonds	1,830,000	171,000
Property	918,000	724,000
Cash and other liquid assets	132,000	55,000
Target return portfolio	766,000	843,000
Infrastructure and alternative assets	682,000	438,000
TOTAL MARKET VALUE OF ASSETS	9,214,000	9,069,000

The actual return on scheme assets was £(331,000) (2021 - £1,487,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022	2021
	£	£
Current service cost	(1,426,000)	(1,193,000)
Interest income	149,000	113,000
Interest cost	(326,000)	(265,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,603,000)	(1,345,000)

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

26. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	19,774,000	16,603,000
Current service cost	1,426,000	1,193,000
Interest cost	326,000	265,000
Employee contributions	145,000	143,000
Actuarial (gains)/losses	(9,862,000)	1,817,000
Benefits paid net of transfers in	(156,000)	(247,000)
AT 31 AUGUST	11,653,000	19,774,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	9,069,000	7,217,000
Interest income	154,000	118,000
Actuarial (losses)/gains	(485,000)	1,369,000
Employer contributions	490,000	474,000
Employee contributions	145,000	143,000
Benefits paid	(156,000)	(247,000)
Administration expense	(5,000)	(5,000)
AT 31 AUGUST	9,212,000	9,069,000

27. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	23,434	51,419
Later than 1 year and not later than 5 years	-	16,314
	23,434	67,733

**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

28. Members' liability

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

29. General information

Exmouth Community College is a company limited by guarantee, incorporated in England and Wales. The registered office is Gipsy Lane, Exmouth, Devon, EX8 3AF.

30. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

'No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 12.

31. Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £21,312 (2021: £31,968) and distributed £23,780 (2021: £32,064) from the fund. An amount of £10,655 (2021: £13,132) is included in other creditors relating to undistributed funds that are repayable to ESFA.