

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 15
Governance statement	16 - 22
Statement on regularity, propriety and compliance	23
Statement of Trustees' responsibilities	24
Independent auditors' report on the financial statements	25 - 27
Independent reporting accountant's report on regularity	28 - 29
Statement of financial activities incorporating income and expenditure account	30
Balance sheet	31 - 32
Statement of cash flows	33
Notes to the financial statements	34 - 59

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members*	Margaret Turgoose Linda Brown (Appointed 11 September 2018) Alison Maddaford (appointed 11 September 2018) Barbara Mason (Appointed 11 September 2018) Robert Worrell (Appointed 11 September 2018)
Trustees	Lesley Miszewska, Vice Chair ^{1,2,3,4,5,6} Andrew Gelling ^{1,2,3} Jill Elson ^{3,5,6} Andrew Davis, Principal ^{1,2,3,6} Robert Mitchell ^{1,3,6} Suzanne Loader (appointed 1 September 2018, resigned 1 February 2019) ² Anna Streather ^{1,4,5} Ray Davison (resigned 31 March 2019) ^{1,3,6} Kim Johnson ^{1,2,5} Elizabeth Lee (appointed 23 April 2019) ^{2,3,6} Emily McGrath (appointed 11 September 2018) ^{1,3,4,6} Margaret Turgoose, Chair ^{1,2,3} Ian MacQueen ^{1,3,5} Philip Wales ^{1,2} Vicky Raven ^{2,3} Elizabeth Dymond (appointed 23 April 2019) ^{1,2,4} Clair McColl (resigned 5 April 2019) ² Malcolm McDonough (resigned 11 February 2019) ^{1,3,6} Clare Tate (appointed 16 October 2018) ^{3,5} Marianne Skinner (resigned 31 August 2019) ^{1,2} Anna Stimson ²

- ¹ Human Resources Committee
- ² Curriculum Committee
- ³ Resources Committee
- ⁴ Pay Committee
- ⁵ Audit Committee
- ⁶ Value for Money Sub Committee

* Until 11 September 2018 all Trustees also served as Members of the Company for the duration of their appointment as a Trustee. On 11 September 2018 all existing Members (with the exception of Margaret Turgoose (the Chair) resigned and were replaced by 4 new Members as detailed above.

Company registered number	07554085
Company name	Exmouth Community College
Principal and Registered office	Gipsy Lane Exmouth Devon EX8 3AF
Company secretary	Kim Dearsly
Accounting Officer	Andrew Davis
Senior leadership team	Andrew Davis, Principal

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Graham Allen, Deputy Principal
David Turner, Deputy Principal
Kim Dearsly, Director of Finance and Resources
Loraine Bowles, Assistant Principal
Henri Miles, Assistant Principal
Simon Tanner, Assistant Principal
Nick Smith, 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
PO Box 1000
BX1 1LT

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 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 18 in serving a catchment area in Exmouth. It has a pupil capacity of 2,418 and had a roll of 2,271 in the school census on 4 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is 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.

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, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

**Trade union facility time
Relevant union officials**

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	524	
Total pay bill	10,229,932	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	4	%
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Trustees' Indemnities

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance whether 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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

TRUSTEES

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.

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 would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only a small number of new Trustees a year, induction can 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 Governing Board 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 and meets at least five 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 reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels.
- **Curriculum Committee** - this 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** which 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, pay and employment issues, and to ensure compliance with employment legislation and relevant local agreements.
- **Audit Committee** – meets three times a year to provide the Board of Trustees with the necessary assurances and quality control.
- **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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- **Pay Appeals Committee** – to hear an appeal against any decision made by the Principal or any other committee of the governing board in accordance with the College's Pay Policy.
- **Risk Management** – meets three times a year to identify and manage financial and operational risk.
- **Principals 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 meet as and when required.

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 Chairman and/or Vice Chairman, to appoint the Principal and Clerk to the Trustees, to approve the Annual Academy Improvement Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Principal and Senior Leadership Team (SLT). The SLT comprises the Principal, Deputy Principal, Assistant Principals and the 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 Principal, the SLT and the Director of Finance will be in accord 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 Education 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) committee which is elected by the Trustees. The committee 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 consider 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 and normally increased in accordance with national pay increases.

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

Related Parties and other Connected Charities and Organisations

The Academy has strong collaborative links with 14 feeder 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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

between it and the Academy.

The College also has informal links with the South West Academies Group, Dartmoor Teaching School Alliance, Leading Schools South West Organisation and the Next Steps South West, Coachbright, CMAS and the West Country Teaching School Alliance.

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.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objective 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.

The aims of the Academy during the year ended 31 August 2019 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
 - to provide a broad and balanced curriculum, including extra curricular activities.
 - to develop students as more effective learners.
 - to enhance the tertiary provision and outcomes.
 - to develop the Academy site so that it enables students to achieve their full potential.
 - to ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care.
 - to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
 - to maximise the number of students who achieve Grade 5 or above in English and Maths.
 - to ensure that the College achieves a positive Progress 8 score for all students, in particular disadvantaged students and SEND students.
 - to increase the number of students entered and successfully achieving the English Baccalaureate.
 - to provide value for money for the funds expended.
 - to implement a curriculum which matches the intention behind the College's vision, which impacts positively on outcomes for students in the broadest sense.
 - to comply with all appropriate statutory and curriculum requirements.
 - to maintain close links with industry and commerce.
 - to develop the Academy's capacity to manage change, and
-
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Exmouth Community College, we aim to achieve the best for, and from, each student. We intend to enable each student to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

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.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Objectives, Strategies and Activities

Key activities and targets were identified in the Academy Improvement Plan through the self-evaluation that was undertaken at a senior level following the publication of results in 2017/18. Priorities included:
Enacting effective financial control, improving outcomes for Pupil Premium and students with special educational needs and further developing teaching and learning.

The Academy Improvement Plan and self-evaluation form are shared with, and agreed by, the Governing Board in Autumn 2018.

- Key Performance Target 1: Building on the improvements made in 2017/18 focus particularly on improving the progress of SEND, Pupil Premium and SEND students.
- Key Performance Target 2: Embed the fundamentals of good teaching and learning consistently across the College.
- Key Performance Target 3: Improve the behaviour and attendance of students particularly our most vulnerable.
- Key Performance Target 4: Through consultation produce a new vision for the College and integrate it within our curriculum offer.
- Key Performance Target 5: Improve the performance of Boys across the College.
- Key performance Target 6: Efficient use of Finance and Campus development.

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 Commission'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.

STRATEGIC REPORT

Achievements and Performance

At Post-16, based on initial unvalidated data, our Post-16 students once again made progress above national expectation scoring +0.1 for A-Level subjects. Applied General subjects made significant progress from -0.5 to +0.44. The progress for KS5 remains in the top 40% of school nationally with Applied General now in the 20%. In terms of subject VA there are five subjects significantly above national expectation with a further fourteen subjects in line with national expectations. Attainment for A-Level subjects in all Prior Attainment groups shows above national APS with Applied General showing a similar trend.

The GCSE results this year had many successes at an individual student and departmental level. Successful departments included Dance, Craft, Drama, Religious Education and Modern Languages. Within the core subjects, Science did well though fell back slightly from the excellent results they achieved in 2018. Unfortunately, English Language didn't achieve as highly as expected and was below the results achieved in English Literature. Mathematics, who usually achieve highly, did not reach their normal standard. This meant that overall figures for progress were slightly down on last year and lower than predicted. We are now working with teaching staff to discover how this happened and put in place robust systems going forward.

Results for Devon schools across the Teaching School Alliances also showed a number of schools with reduced levels of progress, which may indicate the impact of reduced spending levels and an unfair funding formula for Devon. Equally, a lack of capacity at Local Authority, and within other agencies, to effectively support schools with complex and vulnerable students may be having an impact. This has undoubtedly had an impact on the behaviour and attendance for some of our more vulnerable students. The overall progress data was also restricted due to our current curriculum model which has now been rectified for 2020.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

We were particularly disappointed by the progress of SEND students and here again, due to financial constraints, the numbers of Teaching Assistants supporting these students has been reduced while the numbers of students requiring support for their needs is rising. SEND and disadvantaged students were also over represented on our College course pathway which also significantly impacted on their Progress 8 score due to the curriculum they followed.

In terms of our key performance indicators we were pleased with the progress within many of our subject areas which placed us in a consistently strong position when compared to neighbouring schools in our Teaching School Alliance.

Financial control continued to be strong with a very small deficit reported at the end of the financial year due to savings and unexpected income during the year. The College is now in a good financial position moving forward with increased numbers of students in Year 7.

In terms of campus development the Academy continues to work in partnership with the Education Skills Funding Agency in order to deliver the successful Priority Schools Building Programme Two project estimated between £10 - £12 million. Work is expected to start on site in 2020.

Considerable time was spent developing our new vision and values statement with parents/carers, students, staff and Governors and this has now been introduced and embedded within schemes of learning.

The Premises department met its legal obligations and undertook both the Annual Fire and Asbestos Management inspections and associated risk assessments during the year and no areas of high risk or concerns were highlighted in the reports.

The Premises department successfully oversaw the completion of a major safeguarding project on the Gipsy Lane site which significantly increased the security on site.

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.

Continuing professional development for all staff has been very successful:-

- All new and 98% of current staff attended Safeguarding training either during the first two non contact days in September or on subsequent staff training days
- Teaching staff have received training on the curriculum and new specification GCSEs and A Levels within their subject areas
- Rolling programme of Emergency First Aid at Work training continues, with (27) members of staff undertaking a one day course
- Safer Recruitment Refresher 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; Data & Assessment Network meetings and conferences, Early help for Mental Health, Mountain Leader Assessment, Attachment Based Mentoring, Boys in Education, Supporting Children's Sensory Development, How To Maintain Boundaries and Support Inclusion, Substance Misuse and Young People, Unaccompanied Asylum Children, Survival Bushcraft, Duke of Edinburgh Assessors, Self-Harm in Young People and Supporting Safe Practical Microbiology
- The Premises 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 (4) members of staff undertaking an online training course, resulting in a total of ninety members of staff with up to date training
- Nine Teaching Assistants (TA) attended Precision teaching training

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- Three members of teaching staff have commenced their NPQSL leadership training
- The Technology Department are keeping relevant training up to date on various pieces of machinery
- Information shared with all staff to include the PREVENT Duty Presentation, Epipen Training Video and Lifesaver App, Emergency Evacuation Induction/Refresher, Asbestos Induction, Working at Height
- Four members of staff and one casual member of staff refreshed their minibus driving certification and one member of staff has obtained a new minibus driving certification
- One Higher Level Teaching Assistant has completed her Exam Access Arrangements training
- Two members of the HR team have completed Adult Mental Health First Aid training

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 - there is no restriction on carry forward as this was amended via deed of variation in 2016/17. In period under review, £752,948 was carried forward representing 7.2% of GAG.

The following KPI's were reported to the Trustees when the budget was prepared for 2018/19 .

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

B. Spending as a percentage of total expenditure

Spend on teaching staff as a percentage of total expenditure	57.2%	Broadly in line with similar schools
Spend on supply staff as a percentage of total expenditure	0.7%	Broadly in line with similar schools
Spend on education support staff as a percentage of total expenditure	9.8%	Broadly in line with similar schools
Spend on administrative and clerical staff as a percentage of total expenditure	7.8%	Broadly in line with similar schools
Spend on other staff costs as a percentage of total expenditure	1.8%	Broadly in line with similar schools
Spend on premises (including staff costs) as a percentage of total expenditure	6.3%	Broadly in line with similar schools
Spend on teaching resources as a percentage of total expenditure	7.9%	Broadly in line with similar schools
Spend on energy as a percentage of total expenditure	1.2%	Broadly in line with similar schools
Other spending as a percentage of total expenditure (balancing line)	7.3%	N/A

C. Reserves / balances as a percentage of total income

In-year balance as a percentage of total income	199.6%	Low risk
Revenue reserve as a percentage of total income	22.7%	Low risk

D. School characteristics

Average teacher cost (£)	£54,093	Broadly in line with similar schools
Senior leaders as a percentage of workforce	3.0%	Broadly in line with similar schools

It is worth noting that the College have successfully reduced the original in year deficit budget through robust financial management and by ring-fencing fortuitous income received in year.

This year saw an improving trend of attendance within Key Stage 3, however at Key Stage 4, and within Year 11 in particular, there was an unusual concentration of students suffering from long term medical issues, which meant they were unable to attend regularly and negatively affected attendance. To counteract this low attendance we have now appointed our own Education Welfare Officer so that earlier action and support can be put in place for students and families.

We also saw an increase in fixed term exclusions and generally, more time outs were issued over the course of

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

the year. In the final term of the academic year this increasing trend was reversed and the number of permanently excluded students from the College this year was greatly reduced. To tackle this issue we undertook a whole staff consultation on behaviour management procedures which has resulted in the new scheme being successfully trialled in the summer term and fully implemented in September 2019.

Going Concern

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

FINANCIAL REVIEW

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 2019 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 2019 (excluding fixed asset and pension reserves), the Academy received total income of £12,344,964 and incurred total expenditure of £13,563,744. The excess of expenditure over income for the year (excluding fixed asset and pension reserves, but after transfer of £13,627) was £1,232,407.

At 31 August 2019 the net book value of fixed assets was £26,345,100 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2013 at £25,504,993. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

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 24 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
Procedure for Ebay
Procurement and Tendering Policy
Dinner Money Arrears
Investments Policy
Declaration of Business Interest Policy
Business Continuity Plan
Trustees Allowances & Expenses
Charges & Remissions Policy
Pupil Premium Policy

The Trustees have appointed a Responsible Officer to undertake a programme of internal checks on the financial controls. During the year, the Trustees have received three internal audit visits from the Responsible

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Officer 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; however the reserves position is due to be reviewed in December 2019 in light of the positive government announcement linked to the proposed 14 billion investment in primary and secondary education between 2020 – 2023.

Publication of the Dedicated Schools Block allocation to Devon will be available in December 2019, at this point work will commence on the five year financial plans providing clarity on the financial position and will enable Senior leaders and Trustees can determine where designated reserves will be invested.

Total reserves of the Academy Trust amount to £21,506,419 although £18,874,522 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £2,631,897 (representing £1,878,949 unrestricted funds and £752,948 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 7.3 months of normal recurring expenditure.

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' pension 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 actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

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.

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 Headteacher 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 93% 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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

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. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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 24 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.

PLANS FOR FUTURE PERIODS

Our Academy Improvement Plan (AIP) will continue to focus on areas for development 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 are:-

Key Performance Target 1: Improving the progress of students at Key Stage 4, particularly boys. Further

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

improving the progress at Post-16 overall where this is relevant.

Key Performance Target 2: Improving the progress of Pupil Premium students at all key stages but particularly Key Stage 4.

Key Performance Target 3: Improving the progress of SEND students across the College but particularly at Key Stage 4.

Key Performance Target 4: Improving attendance of students at school and at interventions by making our curriculum offer as attractive as possible.

Key Performance Target 5: Continuing to ensure that all non-negotiables in lessons are delivered consistently and that Departmental CPD time is used effectively.

Key Performance Target 6: Embedding all aspects of Ready to Learn consistently across your departmental area.

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

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

The Academy is working with Devon County Council to address 'basic need' building requirements identified by Devon County Council which is linked to additional pupil places required in future years; phase two of the maths block forms part of these plans.

The Academy will also look to address the maintenance backlog by submitting application to the Condition improvement fund and work is at an advanced stage for this opportunity.

The Academy has completed a business case concerning the sale of a redundant cottage on the Gipsy Lane site and look forward to receiving the income for reinvestment during the coming year.

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.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The College Management have worked towards better staff engagement by introducing staff surveys to help understand the work pressures within the organisation and as a result have produced an action plan following the findings. The Management endeavour to work closely with staff representatives to help to improve communication within the organisation looking to understand and reflect upon what works well and not so well to help inform future communication strategies. The Management where possible always look to consult with staff where new ways of working are introduced an example of this is the newly introduced 'ready to learn' process.

The Governing Board 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.

Where the College employs a member of staff with a disability we ensure that all reasonable adjustments are undertaken to the individuals working environment such as adaptations to the working environment or by providing specialist equipment and if necessary with the provision of additional support. The College also has specific budget line to ensure that the outcome of any workplace assessments which are undertaken in year can

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

be addressed. The College also ensures as part of the induction process that Personal Emergency Evacuation Plans (PEEPs) are undertaken to ensure safe evacuation from buildings in the event of an emergency.

DISCLOSURE OF INFORMATION TO AUDITORS

in so far as that Trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware, and
- the Trustees have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, have included their willingness to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 3 December 2019 and signed on their behalf by:

Margaret Turgoose
Chair of Trustees

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 6 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
Lesley Miszewska, Vice Chair	5	6
Andrew Gelling	6	6
Jill Elson	6	6
Andrew Davis, Principal	6	6
Robert Mitchell	5	6
Suzanne Loader	2	3
Anna Streather	1	6
Ray Davison	3	4
Kim Johnson	4	6
Elizabeth Lee	1	1
Emily McGrath	6	6
Margaret Turgoose, Chair	6	6
Ian MacQueen	3	6
Philip Wales	4	6
Vicky Raven	6	6
Elizabeth Dymond	1	1
Clair McColl	3	5
Malcolm McDonough	2	3
Clare Tate	3	4
Marianne Skinner	6	6
Anna Stimson	6	6

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

1. Three internal audit visits from the Responsible Officer and no areas of significance have been identified.
2. We review the skills of the Governing Board on an ongoing 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. Three new Governors joined us this year who have brought additional skills to the Board. We expect there to be Governor vacancies next year and for Community Governors we will specifically seek to fill the gaps we have identified.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

3. The Governing Board review and input to the College's Self Evaluation document. This includes Governance as part of Leadership and Management.

Key actions taken by the Board this year have been to:

1. Monitor and evaluate the containment plan put in place to protect the financial position of the College.
2. Succession plan for changes to membership of the Board and the Senior Leadership Team.
3. Support the work to bid for grants to replace outdated buildings and plan to increase capacity for when student numbers increase (2019 onwards).
4. Review the College's Vision and Values ensuring that key stakeholders were involved in the review and taking into account the focus on Curriculum outlined by Ofsted in the changes to the Ofsted framework 2019
5. Combine to hold a strategic view and relentlessly monitor the impact of plans through Governors' Days, Exam Review Days, Board meetings, question and answer sessions and monitoring and intervention meetings.

The Governing Board receive information and reports from a variety of sources generated from its in-house systems such as SIMs, 4matrix, Classcharts, PS Financials and iDASH. In addition to these they review the IDSR produced by the DfE. Governors receive high quality reports for all their meetings, including budget monitoring and examination results. Lead Governors for key areas such as Safeguarding, Pupil Premium and SEND meet separately with the SLT link to scrutinise the data and information provided by the College and to question and monitor the action plans for these areas. In the Autumn term, the Chair of Governors, Chair of Curriculum and Chair of HR meet with the Principal and hold Exam Review Meetings with every Head of Department in order to thoroughly understand the exam results for the previous year and the plans in place for the coming year. This same group then meets in every half term with two selected Heads of Department to review progress.

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 at least five 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 reporting, receiving reports from the Responsible Officer / internal audit and drafting the annual budget including setting staffing levels.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Jill Elson	5	5
Andrew Davis	5	5
Malcolm McDonough	0	2
Ray Davison	2	3
Andrew Gelling	2	5
Ian MacQueen	2	5
Emily McGrath	4	5
Lesley Miszewska	4	5
Robert Mitchell	3	5
Vicky Raven	5	5
Margaret Turgoose	4	5
Clare Tate	4	4
Elizabeth Lee	3	3

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to meet three times a year to provide the Board of Governors with the necessary assurance and quality control.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

During the year Clare Tate joined the committee. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ian MacQueen	2	3
Kim Johnson	3	3
Jim Elson	3	3
Lesley Miszewska	1	3
Anna Streather	0	3
Clare Tate	1	2

Review of value for money

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

The accounting officer considers how the Academy'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 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 children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.
- Reviewing support staff structures against other Academies and restructuring to ensure efficiencies. An example of this are the savings of 15 hours per week within the finance team whereby the implementation of cashless at the College has resulted in efficiencies within the team.
- Robust vacancy management within support staffing have also achieved savings in year to the value of £94,529.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- 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/Full Governing Board 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, disposals of assets and the balance sheet.
- Regular review of financial performance against the KPI's.
- 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 responsible Officer.
- Maintenance of a master list of business interests which is reviewed when new contractors 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 decided to appoint Griffin Chartered Accountants as internal auditor.

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

Visit 1 – Work Completed 26 November 2018

- 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
- Finance Committee meeting frequency and appropriate review
- Management accounts frequency and quality

Recommendations

From our testing of the purchases and cash payments and financial budgeting and monitoring systems and controls, we have not identified any recommendations. This is testament to the Director of Finance and Resources and her team.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Visit 2 - Work completed 11 February 2019

- Payroll
- Payroll controls testing
- Review of timesheet/overtime procedures
- Starter/leaver procedures reviewed
- Segregation of duties
- Budgetary controls – new staff and pay rises
- Fixed assets
- Process and procedures around the acquisition and disposal of fixed assets
- Maintenance of a fixed asset register
- Fixed asset policies for capitalisation and depreciation
- Budget monitoring for large capital projects
- Risk management
- Risk register and Trustee approval
- Census review
- Census review and accuracy of reporting

Recommendations

From our testing of the payroll, fixed asset, risk management and the census systems and controls, we have not identified any recommendations. Furthermore, there were no recommendations from our previous report that required an update. This is testament to the Director of Finance and Resources and her team.

Visit 3 - Work completed 24 June 2019

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

Governance, regularity and risk management

- Compliance with the Academies Financial Handbook
- Review of leases
- Trustee interests and related parties
- Gifts, hospitality and awards
- Governance details provided on school website
- Risk register and Trustee approval
- Declaration of Interests

Recommendations

Some of the Trustees are directors of companies which are not detailed on their signed declaration of interests or on the school's website as an interest. The college have responded in management action that the Company not declared was a "dormant company" and had no relevant or pecuniary interest in the College and concluded after seeking advice from the ESFA in addition to legal advice that it does not need to be declared.

On a termly basis, the internal auditor reports to the Board of Trustees through the Audit committee / Resources Committees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. The internal auditor has delivered their schedule of works as planned.

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit committee / Resources Committees and was pleased with the high level of assurances provided.

Approved by order of the members of the board of Trustees on 3 December 2019 and signed on their behalf by:

Margaret Turgoose
Chair of Trustees

Andrew Davis
Accounting Officer

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 Financial Handbook 2018.

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 Financial Handbook 2018.

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: 3 December 2019

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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 & 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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: 3 December 2019

**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 2019 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 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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.

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

13 December 2019

**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 [enter date here] and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the 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 [enter date here] and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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 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 statements 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA (Reporting Accountant)

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

Date: 13 December 2019

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	3,854	37,078	158,582	199,514	52,450
Charitable activities	4	915,031	11,128,574	-	12,043,605	12,100,341
Other trading activities	5	82,225	-	-	82,225	82,844
Investments	6	19,620	-	-	19,620	21,458
Total income		1,020,730	11,165,652	158,582	12,344,964	12,257,093
Expenditure on:						
Charitable activities	7	927,221	11,962,988	673,535	13,563,744	13,846,546
Total expenditure		927,221	11,962,988	673,535	13,563,744	13,846,546
Net income/ (expenditure)		93,509	(797,336)	(514,953)	(1,218,780)	(1,589,453)
Transfers between funds	19	-	(13,627)	13,627	-	-
Net movement in funds before other recognised gains/(losses)		93,509	(810,963)	(501,326)	(1,218,780)	(1,589,453)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(1,173,000)	-	(1,173,000)	1,468,000
Net movement in funds		93,509	(1,983,963)	(501,326)	(2,391,780)	(121,453)
Reconciliation of funds:						
Total funds brought forward		1,785,440	(4,733,667)	26,846,426	23,898,199	24,019,652
Net movement in funds		93,509	(1,983,963)	(501,326)	(2,391,780)	(121,453)
Total funds carried forward		1,878,949	(6,717,630)	26,345,100	21,506,419	23,898,199

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

The notes on pages 34 to 59 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	26,186,021	26,821,815
		26,186,021	26,821,815
Current assets			
Stocks	14	6,920	6,940
Debtors	15	498,723	462,125
Investments	16	2,200,000	2,100,000
Cash at bank and in hand		816,389	964,920
		3,522,032	3,533,985
Creditors: amounts falling due within one year	17	(724,634)	(789,601)
Net current assets		2,797,398	2,744,384
Total assets less current liabilities		28,983,419	29,566,199
Net assets excluding pension liability		28,983,419	29,566,199
Defined benefit pension scheme liability	24	(7,477,000)	(5,668,000)
Total net assets		21,506,419	23,898,199
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	26,345,100	26,846,426
Restricted income funds	19	759,370	934,333
		27,104,470	27,780,759
Restricted funds excluding pension asset	19	27,104,470	27,780,759
Pension reserve	19	(7,477,000)	(5,668,000)
Total restricted funds	19	19,627,470	22,112,759
Unrestricted income funds	19	1,878,949	1,785,440
Total funds		21,506,419	23,898,199

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

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019**

The financial statements on pages 30 to 59 were approved by the Trustees, and authorised for issue on 03 December 2019 and are signed on their behalf, by:

Margaret Turgoose
Chair of Trustees

The notes on pages 34 to 59 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	21	(89,542)	(255,888)
Cash flows from investing activities	22	41,011	(178,436)
Change in cash and cash equivalents in the year		(48,531)	(434,324)
Cash and cash equivalents at the beginning of the year		3,064,920	3,499,244
Cash and cash equivalents at the end of the year	23	3,016,389	3,064,920

The notes on pages 34 to 59 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Exmouth Community College meets the definition of a public benefit entity under FRS 102.

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.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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 2019**

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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 OPERATING LEASES

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

1.13 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.14 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 29.

1.15 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.'

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.'

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	3,854	37,078	40,932	11,658
Government capital grants	-	158,582	158,582	40,792
Total 2019	3,854	195,660	199,514	52,450
Total 2018	11,658	40,792	52,450	

4. Funding for the Academy's education

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	10,467,787	10,467,787	10,547,440
Other DfE/ESFA grants	-	530,913	530,913	413,021
	-	10,998,700	10,998,700	10,960,461
High Needs	-	118,302	118,302	103,732
Other government grants: capital	-	-	-	25,833
	-	118,302	118,302	129,565
Internal catering income	448,007	-	448,007	466,042
Income for hosting trainee teachers	-	11,572	11,572	8,400
Sales to students	6,557	-	6,557	6,631
Other	313,107	-	313,107	369,817
	767,671	11,572	779,243	850,890
	767,671	11,128,574	11,896,245	11,940,916
Total 2018	842,490	11,098,426	11,940,916	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	82,225	82,225	82,844
Nursery	147,360	147,360	159,425
Total 2019	<u>229,585</u>	<u>229,585</u>	<u>242,269</u>

All prior year amounts relate to unrestricted funds.

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	19,620	19,620	21,458

All prior year amounts relate to unrestricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Education:					
Direct costs	8,015,907	673,535	1,060,862	9,750,304	10,028,322
Allocated support costs	2,085,880	776,504	809,870	3,672,254	3,664,082
Nursery:					
Direct costs	128,145	-	7,916	136,061	149,017
Allocated support costs	-	-	5,125	5,125	5,125
Total 2019	<u>10,229,932</u>	<u>1,450,039</u>	<u>1,883,773</u>	<u>13,563,744</u>	<u>13,846,546</u>
Total 2018	<u>10,565,723</u>	<u>1,288,823</u>	<u>1,992,000</u>	<u>13,846,546</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	9,750,304	3,672,254	13,422,558	13,692,404
Nursery	136,061	5,125	141,186	154,142
Total 2019	<u>9,886,365</u>	<u>3,677,379</u>	<u>13,563,744</u>	<u>13,846,546</u>
Total 2018	<u>10,177,339</u>	<u>3,669,207</u>	<u>13,846,546</u>	

Analysis of direct costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension income	149,000	-	149,000	168,000
Staff costs	7,998,634	128,145	8,126,779	8,279,291
Depreciation	527,647	-	527,647	502,795
Educational supplies	499,060	7,916	506,976	579,221
Examination fees	195,061	-	195,061	185,622
Staff development	15,781	-	15,781	19,564
Other costs	347,848	-	347,848	379,965
Supply teachers	17,273	-	17,273	62,881
Total 2019	<u>9,750,304</u>	<u>136,061</u>	<u>9,886,365</u>	<u>10,177,339</u>
Total 2018	<u>10,028,322</u>	<u>149,017</u>	<u>10,177,339</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	2,085,880	-	2,085,880	2,223,551
Depreciation	145,888	-	145,888	152,786
Recruitment and support	9,588	-	9,588	10,743
Maintenance of premises and equipment	157,289	-	157,289	70,025
Cleaning	282,672	-	282,672	265,402
Rent and rates	136,848	5,125	141,973	128,592
Energy costs	199,695	-	199,695	174,348
Insurance	46,791	-	46,791	47,702
Security and transport	62,649	-	62,649	59,508
Catering	265,031	-	265,031	268,504
Technology costs	66,713	-	66,713	58,562
Office overheads	82,749	-	82,749	143,965
Legal and professional	85,388	-	85,388	32,205
Bank interest and charges	882	-	882	1,469
Governance	44,191	-	44,191	31,845
Total 2019	3,672,254	5,125	3,677,379	3,669,207
Total 2018	3,664,082	5,125	3,669,207	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	141,584	168,731
Depreciation of tangible fixed assets	673,535	655,581
Fees paid to auditors for:		
- audit	8,670	8,250
- other services	3,175	2,440

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	7,817,825	7,988,536
Social security costs	700,112	715,955
Pension costs	1,694,722	1,766,016
	10,212,659	10,470,507
Agency staff costs	17,273	62,881
Staff restructuring costs	-	32,335
	10,229,932	10,565,723

Staff restructuring costs comprise:

	2019	2018
	£	£
Redundancy payments	-	32,218
Severance payments	-	117
	-	32,335

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	136	145
Administration and support	156	163
Management	8	7
	300	315

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	121	125
Administration and support	100	106
Management	8	7
	229	238

c. Higher paid staff

The number of employees whose employee benefits (excluding employers national insurance and pension costs) exceeded £60,000 was:

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	2	2
In the band £110,000 - £120,000	-	1
In the band £120,000 - £130,000	1	-

d. Key management personnel

'The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 2. 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 Trust was £730,194 (2018: £649,202).

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 11 has not been included in the total benefits received by Key Management Personnel above.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Trustees' remuneration and expenses

During the year ended 31 August 2019, expenses totalling £277 were reimbursed or paid directly to 3 Trustees (2018 - £179 to 2 Trustees).

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' total remuneration for the year was as follows: A Davis (headteacher): Remuneration £120,000 - £125,000 (2018: £110,000 - £115,000), Employer's pension contribution £20,000 - 25,000 (2018: £15,000 - £20,000); R Mitchell: Remuneration £30,000 - £35,000 (2018: £30,000 - £35,000), Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000); A Gelling £45,000 - £50,000 (2018: £40,000 - £45,000) Employer's pension contribution £5,000 - £10,000 (2018: £5,000 - £10,000); M Skinner £35,000 - £40,000 (2018: £40,000 - £45,000) Employer's pension contribution £5,000 - £10,000 (2018: £5,000 - £10,000).

12. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	30,627,279	3,156,216	176,357	28,008	33,987,860
Additions	6,995	23,507	-	7,239	37,741
Disposals	-	(39,902)	-	-	(39,902)
At 31 August 2019	30,634,274	3,139,821	176,357	35,247	33,985,699
Depreciation					
At 1 September 2018	3,936,628	3,105,490	109,923	14,004	7,166,045
Charge for the year	612,685	23,744	28,294	8,812	673,535
On disposals	-	(39,902)	-	-	(39,902)
At 31 August 2019	4,549,313	3,089,332	138,217	22,816	7,799,678
Net book value					
At 31 August 2019	26,084,961	50,489	38,140	12,431	26,186,021
At 31 August 2018	26,690,651	50,726	66,434	14,004	26,821,815

14. Stocks

	2019 £	2018 £
Catering	6,920	6,940

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	54,521	19,783
VAT recoverable	73,247	91,968
Other debtors	4,503	2,219
Prepayments and accrued income	366,452	348,155
	498,723	462,125

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Current asset investments

	2019 £	2018 £
Unlisted investments (liquid)	2,200,000	2,100,000

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	226,749	305,506
Other taxation and social security	183,585	182,488
Other creditors	164,525	194,432
Accruals and deferred income	149,775	107,175
	724,634	789,601

	2019 £	2018 £
Deferred income at 31 August 2018	60,749	84,449
Resources deferred during the year	68,405	60,749
Amounts released from previous periods	(60,749)	(84,449)
Deferred income at 31 August 2019	68,405	60,749

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	3,016,389	3,064,920
Financial assets that are debt instruments measured at amortised cost	147,993	107,190
	<u>3,164,382</u>	<u>3,172,110</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(472,644)</u>	<u>(546,365)</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank & in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Reserves	1,785,440	1,020,730	(927,221)	-	-	1,878,949
Restricted general funds						
General Annual Grant (GAG)	934,333	10,509,789	(10,677,547)	(13,627)	-	752,948
SEN	-	118,302	(118,302)	-	-	-
Rates	-	60,705	(60,705)	-	-	-
Pupil Premium	-	413,480	(413,480)	-	-	-
Pupil Premium - Year 7 Catch Up	-	14,726	(14,726)	-	-	-
Donations	-	37,078	(37,078)	-	-	-
Graduate Teaching Programme	-	11,572	(5,150)	-	-	6,422
Pension reserve	(5,668,000)	-	(636,000)	-	(1,173,000)	(7,477,000)
	(4,733,667)	11,165,652	(11,962,988)	(13,627)	(1,173,000)	(6,717,630)
Restricted fixed asset funds						
Fixed assets transferred on conversion	22,367,575	-	(522,903)	-	-	21,844,672
Fixed assets purchased from GAG other restricted funds	131,053	-	(50,998)	(24,114)	-	55,941
DfE/ ESFA Capital grants	3,264,091	158,582	(68,125)	37,741	-	3,392,289
Donation	12,000	-	(6,000)	-	-	6,000
Local Authority	965,957	-	(23,259)	-	-	942,698
Other capital grants	105,750	-	(2,250)	-	-	103,500
	26,846,426	158,582	(673,535)	13,627	-	26,345,100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total Restricted funds	22,112,759	11,324,234	(12,636,523)	-	(1,173,000)	19,627,470
Total funds	23,898,199	12,344,964	(13,563,744)	-	(1,173,000)	21,506,419

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.

Rates - represents funding received from the ESFA during the period in order to fund rates at the Academy.

Pupil premium and pupil premium year 7 catch up funding - represents amounts received from the ESFA to cater for disadvantaged pupils.

Donations - funds donated to the academy to assist with a specific purpose.

Graduate training programme funds - income received from Universities for hosting student teachers.

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

Donations - this represents a donation to be used on a specific fixed asset within the Academy.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. Statement of funds (continued)

Other information

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 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Reserves	1,679,549	1,117,875	(1,011,984)	-	-	1,785,440
Restricted general funds						
General Annual Grant (GAG)	1,373,664	10,487,466	(10,924,021)	(2,776)	-	934,333
SEN	-	103,732	(103,732)	-	-	-
Rates	-	59,974	(59,974)	-	-	-
Pupil Premium	-	398,257	(398,257)	-	-	-
Pupil Premium - Year 7 Catch Up	-	14,764	(14,764)	-	-	-
Graduate Teaching Programme	-	8,400	(8,400)	-	-	-
Stepping stones funding	-	25,833	(25,833)	-	-	-
Pension reserve	(6,492,000)	-	(644,000)	-	1,468,000	(5,668,000)
	<u>(5,118,336)</u>	<u>11,098,426</u>	<u>(12,178,981)</u>	<u>(2,776)</u>	<u>1,468,000</u>	<u>(4,733,667)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	22,890,478	-	(522,903)	-	-	22,367,575
Fixed assets purchased from GAG other restricted funds	172,128	-	(43,851)	-	-	131,053
DfE/ ESFA Capital grants	3,283,790	40,792	(60,491)	-	-	3,264,091
Donation	18,000	-	(6,000)	-	-	12,000
Local Authority	986,043	-	(20,086)	-	-	965,957
Other capital grants	108,000	-	(2,250)	-	-	105,750

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
	27,458,439	40,792	(655,581)	-	-	26,846,426
Total Restricted funds	22,340,103	11,139,218	(12,834,562)	(2,776)	1,468,000	22,112,759
Total funds	24,019,652	12,257,093	(13,846,546)	(2,776)	1,468,000	23,898,199

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	26,186,021	26,186,021
Current assets	1,878,949	1,484,004	159,079	3,522,032
Creditors due within one year	-	(724,634)	-	(724,634)
Pension scheme liability	-	(7,477,000)	-	(7,477,000)
Total	1,878,949	(6,717,630)	26,345,100	21,506,419

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	26,821,815	26,821,815
Current assets	1,785,440	1,723,934	24,611	3,533,985
Creditors due within one year	-	(789,601)	-	(789,601)
Pension scheme liability	-	(5,668,000)	-	(5,668,000)
Total	1,785,440	(4,733,667)	26,846,426	23,898,199

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(1,218,780)	(1,589,453)
Adjustments for:		
Depreciation	673,535	655,581
Capital grants from DfE and other capital income	(158,582)	(40,792)
Interest receivable	(19,620)	(21,458)
Defined benefit pension scheme cost less contributions payable	487,000	476,000
Defined benefit pension scheme finance cost	149,000	168,000
Decrease in stocks	20	80
(Increase)/decrease in debtors	(36,598)	42,052
Increase in creditors	34,483	54,102
Net cash used in operating activities	(89,542)	(255,888)

22. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	19,620	21,458
Purchase of tangible fixed assets	(137,191)	(336,473)
Proceeds from the sale of tangible fixed assets	-	500
Capital grants from DfE Group	158,582	136,079
Net cash provided by/(used in) investing activities	41,011	(178,436)

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	816,389	964,920
Notice deposits (less than 3 months)	2,200,000	2,100,000
Total cash and cash equivalents	3,016,389	3,064,920

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016.

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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was prepared 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% employer administration charge)
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £870,808 (2018 - £887,725).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is 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.

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 2019 was £509,000 (2018 - £537,000), of which employer's contributions totalled £388,000 (2018 - £409,000) and employees' contributions totalled £ 121,000 (2018 - £128,000). The agreed contribution rates for future years are 15.4 per cent plus £78,000 for the year commencing 1 April 2019 for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.20	2.30

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.5	23.5
Females	24.4	25.6
<i>Retiring in 20 years</i>		
Males	24.2	25.8
Females	26.2	28.0

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(314)	(260)
Discount rate -0.1%	321	266
Mortality assumption - 1 year increase	540	397
Mortality assumption - 1 year decrease	(520)	(384)
CPI rate +0.1%	285	237
CPI rate -0.1%	(278)	(231)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	4,023,000	3,732,000
Gilts	238,000	195,000
Corporate bonds	127,000	121,000
Property	587,000	559,000
Cash and other liquid assets	90,000	95,000
Target return portfolio	942,000	882,000
Infrastructure and alternative assets	608,000	538,000
Private equity	122,000	63,000
Total market value of assets	6,737,000	6,185,000

The actual return on scheme assets was £282,000 (2018 - £353,000).

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

	2019 £	2018 £
Current service cost	(750,000)	(885,000)
Past service cost	(125,000)	-
Interest income	164,000	142,000
Interest cost	(313,000)	(310,000)
Total amount recognised in the Statement of financial activities	(1,024,000)	(1,053,000)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	11,853,000	11,896,000
Current service cost	750,000	885,000
Interest cost	313,000	310,000
Employee contributions	121,000	128,000
Actuarial losses/(gains)	1,287,000	(1,261,000)
Benefits paid net of transfers in	(235,000)	(105,000)
Past service costs including curtailments	125,000	-
At 31 August	14,214,000	11,853,000

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

	2019 £	2018 £
At 1 September	6,185,000	5,404,000
Interest income	168,000	146,000
Actuarial gains	114,000	207,000
Employer contributions	388,000	409,000
Employee contributions	121,000	128,000
Benefits paid	(235,000)	(105,000)
Administration expense	(4,000)	(4,000)
At 31 August	6,737,000	6,185,000

25. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	104,842	104,837
Later than 1 year and not later than 5 years	72,632	119,834
	177,474	224,671

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

26. 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.

27. 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.

28. Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11.

29. Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £42,000 and distributed £40,927 from the fund. An amount of £10,655 is included in other creditors relating to undistributed funds that is repayable to ESFA.