

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Member

Trustees/Members

Elizabeth Lee, Chair to 17 September 2014 (resigned 17 September 2014)^{1,2,3,4,6}
 Jill Elson, Chair from 17 September 2014^{3,4,6}
 Tony Alexander, Principal^{1,2,3,4,5,6}
 Clare Babbage^{2,4,6}
 Louise Boud^{1,2}
 Samantha Collett^{2,3}
 Ray Davison^{1,4,6}
 Vivien Duval-Steer^{3,5}
 Andrew Gelling^{1,2,3,4}
 Pat Graham^{1,2,3,5}
 Ann Grange (appointed 1 April 2015)²
 Kim Johnson^{1,2,5}
 Ruth Jones³
 Roger Lawrence^{1,4}
 Barbara Mason (resigned 31 August 2015)^{1,4}
 Lesley Miszewska, Vice Chair^{1,2,4,6}
 Robert Mitchell^{1,3,4,6}
 Ian Purchase (appointed 1 January 2015, deceased 9 April 2015)
 Robert Rooksby (resigned 31 December 2014)^{1,2,3,4,6}
 Margaret Turgoose^{1,2}
 Alison Wells (resigned 31 March 2015)²
 David Wright^{3,4}

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

**Company registered
number**

07554085

**Principal and Registered
office**

Gipsy Lane
Exmouth
Devon
EX8 3AF

Company secretary

Kim Dearsly

Accounting Officer

Tony Alexander

**Senior management
team**

Mr A Alexander, Principal
 Mr G Allen, Deputy Principal
 Mr D Turner, Deputy Principal
 Mrs K Dearsly, Director of Finance and Resources
 Miss L Bowles, Assistant Principal
 Miss H Miles, Assistant Principal
 Mrs A Michael, Assistant Principal
 Mr S Tanner, Assistant Principal
 Miss S Walker, Assistant Principal

**EXMOUTH COMMUNITY COLLEGE
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
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Bankers	Lloyds Bank 8 Fore Street Budleigh Salterton Devon EX9 6NQ
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Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter Devon EX1 1UP
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**EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. 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 a catchment area in Exmouth. It has a pupil capacity of 2,418 and had a roll of 2,447 in the school census on 1 January 2015.

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 cease to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. This is through the RPA Risk Protection Arrangements offered by the Education Funding Agency.

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 1 LA Trustee, 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) 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 will give 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. Induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There is a Trustees' day organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

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 from its Committees for ratification and 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.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

There are 8 committees as follows;

- **Finance Committee** - this meets six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of a value for money sub-committee.
- **Curriculum Committee** - this meets twice a term 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** - this meets twice a year to deal with all matters relating to admissions.
- **Premises Committee** - this meets at least once a term to ensure the efficient management of the premises and grounds of the College within the requirements of legislation, Trustees' policies and the management plan.
- **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 Governors with the necessary assurances and quality control.
- **Pay Committee** - meets once 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.
- **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** - Committee meets three times a year to identify and manage financial and operational risk.
- **Principal's Performance Management Group** - meet three times each year to undertake the Principal's appraisal.
- **Other committees** such as the First Committee (staff discipline) and the Complaints 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 College Development Plan, Strategic Development 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 Headteacher and Senior Leadership Team (SLT). The SLT comprises the Principal, Deputy Principals, Assistant Principals, Director of Finance and Resources and when appropriate Heads of Departments and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Principal is the Accounting Officer.

Connected Organisations, including Related Party Relationships

Leisure East Devon has use of the Academy's leisure facilities and there is a shared use agreement between them and the Academy. Exmouth Community College are currently working with Withycombe RFC on a c£1.5m fundraising project for a 3G astro turf, athletics concept and changing rooms.

The Academy has strong collaborative links with 14 feeder primary schools which form part of the Exmouth

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Learning Community.

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 main objectives of the Academy during the period ended 31 August 2015 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standards of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; 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 get the best for, and from, each student. We intend to enable each student to realise his or her full academic, aesthetic, cultural and physical potential and to develop positive spiritual, social and moral values. Our Academy is a community in which students, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

The Academy's main strategy is encompassed in its statement of intent which is "Governors will establish, maintain, manage and develop a school as an academy, with a comprehensive ethos offering a broad and balanced curriculum."

Key priorities for the year are contained in our College Development Plan which is available from the Deputy Principal's Office. Improvement focuses for 2015/2016 include:

- Improve achievement in Science
- Improve rates of progress for disadvantaged students
- Reduce the gender gap by raising the achievement of boys in Science
- Raise the number of A2 students achieving A*-B
- Ensure good progress for students on SEND list
- Maintain the high quality of teaching in the light of significant curriculum change
- Ensure response from students to feedback given
- Maintain high level of provision for SMSC within the changing curriculum.
- Introduce key Auditory Processing principles across the College
- Reduce further the number of exclusions by developing new inclusion unit (REACH)
- Build capacity for the future by investigating long term accommodation needs and solutions.

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.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

STRATEGIC REPORT

Achievements and Performance

The Academy has, in agreement with Devon County Council agreed to admit 390 students each year from September 2015.

Examination results for 2014 at A2 level continue to improve on last year with a fantastic 99% pass rate, above the national average, and a rise to 18% of those achieving A* to A grades. BTEC performance was also good, and the extended project results were outstanding.

The Academy GCSE results in August 2014 were 63% of students achieving 5 A*- C. Of these 55% achieved 5 A* to C including English and Maths. The College's 5 A* to G rate was 93%.

To ensure that examination results continue to improve, the Academy: operates a programme of observation of lessons; is visited by inspectors; undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value.

Exmouth Community College offers a broad and balanced curriculum as set out in the 'Exmouth Curriculum' document which is presented to Governors in May each year. This provides the breakdown of subjects and courses available to students. The 2015/2016 Curriculum has been designed to ensure it reflects the requirements of the new National Curriculum (which started in September 2014) and the new GCSEs in English and Mathematics (starting in September 2015). The curriculum is also clearly differentiated and shows the provision for the most able and those with additional needs.

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

- All new and current staff attended Safeguarding training either during the first 2 non contact days in September or on subsequent new staff inductions.
- Teaching staff have received training on the curriculum and new specification GCSEs and A Levels within their subject areas.
- A rolling programme of First Aid training continues, with 21 members of staff undertaking a 1 day course provided by Edson Tiger.
- Following an introductory talk on Mindfulness, hosted by Gavin Weir-Jones, a course of 9 sessions took place between September and November 2014, with 13 staff attending one or more of the sessions.
- Safer Recruitment training undertaken by the HR department and members of SLT
- In house training was given to teaching colleagues to enhance their coaching and mentoring skills for PGCE students, NQTs and new members of staff.
- Members of the HR Department, SIMS and the Relief Timetabler attended training for Cover on SIMS.
- Appraisal training on SIMS was rolled out to Teachers and the HR Team by the HR Manager.
- A diverse range of training courses was attended by staff, including: Children in Care Mentoring, Accelerated Reader Training, Dyslexia and Spelling, Climbing Wall Award, Exam Arrangements for SEN Students, Summer Moorland Walking Leader, Diabetes in Schools, Local Cave Leader, Emergency First Aid for Outdoors.
- The Premises team updated their PASMA training.
- Overall feedback on training evaluation forms is good to outstanding.
- Governors attended various training sessions provided by Bishop Fleming, Browne Jacobson and Babcock including: Safer Recruitment & Allegations Management Refresher Course, Supporting Pupil Progress in Secondary Schools Performance Data, Is your school fit for purpose, SEN Changes to Legislation, Chairs Update, Safeguarding for Governors and Networking for Academy Governors.

During the year the Academy received the following income as a result of successful grant applications:-

- £75,000 from Sports England (re-surface of the astro pitch).
- £37,500 from Leisure East Devon to part fund the new astro pitch surface and for the provision of sports lighting.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

The following successful grant applications were also made:-

- £800,000 from Devon County Council to joint fund the new 8 classroom block.
- £1.6 million from the EFA to fund the new 8 classroom block.
- £694,340 from the EFA to fund the refurbishment of the languages quad.
- £12,700 for jump pits.

The College has also received advanced notice that it has been selected to receive funding as part of an application made to the Priority Schools Building Programme Round 2. The scoping is to determine the funding allocation, but this is assumed to be £4 million for refurbishment of the Humanities block or £8 million for a replacement Humanities block. The outcome will not be known until September 2015.

The College is also part of the local area partnership working closely with Honiton Community College, Axe Valley Community College and Colyton Grammar schools to deliver its aims.

Pupil numbers in 2014/15 were 2447 as detailed in the General Annual Grant Statement and Post 16 Allocation Statement.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In period under review, £1,844,816 of GAG was carried forward representing 16.6% of GAG. Further information is provided in the financial review.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2014/15 were 2447. The College is aware of falling demographics in the medium term, but from 2019/20 onwards pupil numbers are set to increase significantly. This projection is supported by the Local Authority admission numbers in the local primary schools.

The following KPI's were set at the start of the year:-

KPI	Actual
Student attendance %	93.9%
Exam success for 5 A*- C at GCSE	63%
and 5 A*-C inc Eng and Maths (GCSE)	55%
Financial reports are submitted to all Finance committees one week prior to the meeting	Yes
Finance Committee receive regular updates in line with best practice	Yes
RO reports achieve a GOOD/HIGH standard	Yes

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 EFA 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 2015 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 and are shown in the Statement of Financial

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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 2015 (excluding restricted fixed asset and pension funds), total expenditure of £12,929,388 was covered by recurrent grant funding from the DfE, together with other incoming resources of £13,113,260. The excess of income over expenditure for the year was £168,196.

At 31 August 2015 the net book value of fixed assets was £25,624,082 and movements in tangible fixed assets are shown in note 17 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 31st 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 28 to be updated 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 Charges and Lettings; Fraud; Bribery; Gifts and Hospitality; Business Continuity and Risk Management.

The Trustees have appointed a Responsible Officer to undertake a programme of internal checks on the financial controls. During the year, the Trustees received two responsible officer visits and two internal audit visits from the Responsible Officer / Internal Audit which contained no matters of significance.

Financial and Risk Management Objectives and Policies

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 constantly 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. For example, additional insurance cover was taken out whilst the refurbishment of the languages quad was being undertaken to ensure the College was adequately covered.

The reduction in post 16 funding levels and falling roll combined with the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be an increasing concern for the board. In addition, the Trustees receive updated five year financial plans at every Finance meeting to ensure that the Academy has knowledge of the future financial consequences as a result of financial decisions made in the shorter term.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and investment yields 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 where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 28 to the financial statements, represents a significant potential liability. However, as the

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

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.

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 reserves policy is reviewed annually by the Trustees and was also reviewed by the Responsible Officer in May 2015.

The Trustees have determined that the appropriate level of free cash reserves should be approximately £1,000,000. The financial forecasts indicate that the financial health of the Academy is under threat over the next five years, therefore it is necessary to plan for the projected reduction in demographic growth and the external decisions made to increase Teachers Pension contributions, National Insurance contributions and National Living Wage in addition to the uncertain level of grant per pupil of 16 to 18 year olds. In light of the aforementioned it is deemed prudent to build up reserves to avoid unnecessary redundancies to ensure delivery of our core aims. Further savings will still have to be found and the budget containment plans are constantly reviewed. The Academies current level of reserves (total funds less amount held in fixed assets and non GAG restricted funds) is £3,258,195 of which £1,413,379 is free reserves. In addition the trustees have determined that the level of restricted reserves should be approximately £1,000,000.

Budget containment plans include and expect free reserves not to reduce below £800,000 over the coming three year period this is to ensure adequate cash flow moving into future years just prior to pupil numbers increasing. The Trustees have reviewed the future plans of the Academy and have set designated reserves to cover the fall in pupil numbers over the next four years and to protect staffing levels in the short term.

Investment Policy

The Governors 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 Governors have determined the appropriate level of free reserves outlined in the reserves policy. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,413,379 at this moment in time. The Academy will endeavour to maintain reserves as outlined in the reserves policy agreed on the 27th January 2015.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 91% of the Academy's incoming resources was 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.

Risks to revenue funding from a falling roll are high in the medium term, this is as a result in local demographics, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be an increasingly concern in coming years. The College has in place robust containment plans to address the medium term fall in pupil numbers. In addition the Trustees have adopted a stringent approach to accumulating reserves whilst balancing the educational needs of the pupils currently on role. The issues of Containment plans and demographics have been shared with the external assurance team at the EFA on the 6th August 2014 to make them aware of the projected fall in pupil numbers and the impact on the finances of the College. In the longer term the Pupil numbers are set to rise by 400 plus students as a result of the local demographics and will require a significant Capital investment from the Local authority to address the basic need issue. The College is currently in discussions with the Local authority to ensure that the College identifies site accommodation needs in order to accommodate the additional pupil numbers; this will be funded via basic need funding. The Trustees will be actively reviewing financial performance against the proposed budget containment plans which they expect the

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

management team to deliver.

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 dependant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

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

Staffing - the success of the Academy is reliant on 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 College had two attempts to defraud the Academy during 2014/15, however due to the robustness of procedures and processes being in place these attempts failed.

Premises – the Trustees have been made acutely aware of the business critical backlog and the health and safety risks associated with non compliance to required standards. The strategy to reduce the risk by diverting additional revenue funding and successful Academies Capital Maintenance Funds bids circa £4.09m since converting to Academy have reduced the risks significantly. During the summer of 2015 the final major areas of risk will have been addressed. The College will continue with the premises strategy ensuring that any identified of significant risk is addressed as a priority.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. The risk register was reviewed by the Responsible Officer on the 19th May 2015 and was rated as high standard. The report commented "It can be confirmed that the risk management procedures in place at the Academy are robust and comprehensive and a high standard of assurance has been provided to the Academy in relation to this area".

PLANS FOR FUTURE PERIODS

The Academy aims to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education once they leave. The Academy will also increase its recruitment up to the new agreed levels, accepting transfers from other schools and colleges, where possible.

The Academy aims in the future to provide the opportunity for a technological education to a greater number of students. To achieve this, we are drawing up a community development plan, based on an identification and analysis of need. The plan's aim is to establish ways to benefit the wider community (from links with mainly local secondary and primary schools) and direct access to the Academy's technology facilities, curricular materials and the expertise of Academy staff.

The Assurance Team were not too concerned as the cumulative deficit is not going to occur until 2018/19 therefore their comment was "at this stage we do not propose any further action other than requesting:-

- Submit position statements on a six monthly basis
- Share the budget containment plan
- Advise the EFA when significant costs arise
- Monitor the cashflow on a rolling 12 month forecast basis

The EFA received the first of the financial reports requested in December 2014 and in April 2015 received the following response "We have reviewed the financial information that you have provided and as there are no

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

immediate financial concerns we would ask that you keep this matter under review and continue to submit updated financial position statements to the EFA on a six monthly basis". Further reports were submitted to the EFA on 15th June, 2015 which is in line with the reporting requirements outlined above.

The Academy is working to address future known basic need requirements, as identified by Devon County Council. Work has commenced on a 1, 3 and 10 year Strategic Development Plan. Norfolk Property Services (NPS) have been engaged by the local authority to support the College with this exciting development. The architects employed by NPS are currently scoping the future requirements of the College and are working closely with the senior leadership team on this project. The Academy is committed to improve the facilities of the College across the board.

Phase 1 of this development commenced in the Summer of 2015, following the award of the contract.

The Academy submitted an expression of interest as part of the PSBP2 (Priority Schools Building Programme 2) an award letter was received in February 2015, detailing that the College was successful with its application. The funding has been reserved to either refurbish or rebuild the Humanities block which is currently subject to a feasibility study undertaken by the Education Funding Agency. A business case has been presented to the Scheme Director by the Academy which supports rebuild over refurbishment, the outcome and timescales scoping exercise will be made known in September 2015.


AUDITORS

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 8 December 2015 and signed on the board's behalf by:



Jill Elson
Chair of Trustees

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

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 Trustees' responsibilities statement. The board of trustees has formally met 8 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
Elizabeth Lee, Chair to 17 September 2014	1	1
Jill Elson, Chair from 17 September 2014	7	7
Tony Alexander, Principal	7	7
Clare Babbage	7	7
Louise Boud	3	7
Samantha Collett	6	7
Ray Davison	5	7
Vivien Duval-Steer	4	7
Andrew Gelling	7	7
Pat Graham	7	7
Ann Grange	0	0
Kim Johnson	7	7
Ruth Jones	6	7
Roger Lawrence	7	7
Barbara Mason	7	7
Lesley Miszewska, Vice Chair	6	7
Robert Mitchell	7	7
Ian Purchase	5	5
Robert Rooksby	3	3
Margaret Turgoose	6	7
Alison Wells	5	5
David Wright	7	7

This year saw the retirement, at the Governing Board's AGM, of the Chair of Governors, Elizabeth Lee. The Governing Board thanked her for her valuable contribution and commitment to the College during her long service of 21 years, and in particular to the work she did in overseeing the conversion of ECC to an Academy in 2011.

Jill Elson, the LA appointed governor, took the role of Chair of the Governing Board. Robert Rooksby, resigned as staff governor and Ian Purchase was nominated by the staff for the role. Tragically, Ian died, unexpectedly, on the 9th April 2015. Ruth Jones transferred from a parent governor to a community governor, Margaret Turgoose was re-elected as a parent governor and Ann Grange joined as parent governor. Alison Wells' term of office as a parent governor ended on 31st March 2015, following 8 years of service and Barbara Mason's term of office as a community governor ended on 31st August 2015 following 11 years of Service. This includes the service with the current academy trust from conversion on 1 April 2011. Both Barbara and Alison's contributions to meetings were very much valued by the Board and both were thanked for their service.

It was decided at a full Governing Board meeting that the Parent governor vacancy and two further parent governors whose terms will come to an end next term would be recruited for in September 2015.

GOVERNANCE STATEMENT (continued)

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

1. As part of the annual audit of our Financial Systems, Devon Audit stated:-

“Governance within the Academy continues to be very well managed and demonstrated – it remains clearly evident that Governors, Senior Management and Finance staff alike are extremely dedicated and have spent considerable time and effort in supporting the College during its formative years of being an Academy.

The first key financial systems visit of 2014 -15 reviewed the Governing Body framework as well as the scheme of delegation which encompasses the governance structure and Finance Policy, which sets out the financial framework of the Academy. It is very pleasing to note that recommendations in from the previous review in this area which took place in January 2014 have been promptly actioned.

Governors' minutes reviewed are considered very good quality and clearly record Governor business and decision-making, this is much to the credit of the Academy and in particular to the Clerk to Governors.”

and judged this to be of a “high standard” with no recommendations for action.

2. Each member of the Governing Board completed a skills audit (recommended by the National Association of Governors) and the outputs were reviewed. This informed plans for training to be undertaken by individuals. It also inputted to discussions about where there might be skills gaps and therefore how, when looking for new Governors, we might attempt to fill these. We expect there to be Governor vacancies this year and for Community Governors we will specifically seek to fill the gaps we have identified.

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:

1. To monitor and evaluate the containment plan put in place to protect the financial position of the College during the years when, due to demographics, the numbers of students will fall.
2. To 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. Discuss and agree the plans in place to embed the new curriculum and the implementation of changes to exam structure and Progress 8.

The Finance Committee is a sub-committee of the main board of trustees with delegated executive powers.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Clare Babbage, Chair	5	5
Ruth Jones, Vice Chair	3	5
Tony Alexander, Principal	5	5
Ray Davison	2	5
Lesley Miszewska	5	5
Roger Lawrence	3	5
Jill Elson	4	5
Robert Rooksby	2	2
Ian Purchase	1	1
Barbara Mason	5	5
Robert Mitchell	5	5
David Wright	4	5
Andrew Gelling	5	5

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

GOVERNANCE STATEMENT (continued)

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to provide the Board of Governors with the necessary assurances and quality control.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Vivien Duval-Steer, Chair	3	3
Kim Johnson, Vice Chair	2	3
Tony Alexander, Principal	1	3
Pat Graham	1	3

REVIEW OF VALUE FOR MONEY

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

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

GOVERNANCE STATEMENT (continued)

1. Raising student attainment.

Resources are provided for all departments in the College to ensure they can deliver the curriculum efficiently to all students. They can also be allocated funding for specific initiatives to boost students who are pupil premium, child in care or identified as underachieving. The results from these initiatives are carefully reviewed and reported in the pupil premium report, child in care report and reports from the raising achievement team.

Our latest validated L3VA report shows us making statistically significant progress in many areas in Post 16.

Qual Code	Qualification Name	Number of Entries	Value Added Score (in A Level Grades)	Lower Bound	Upper Bound	Statistical Significance
101	Extended Project (Dipolma)	19	+1.13	+0.63	+1.63	Above average
111	A Level	376	+0.29	+0.20	+0.37	Above average
121	AS Level (Not Continued to A2)	90	+0.18	+0.03	+0.33	Above average
224	Applied GCE Single Award	29	-0.14	-0.40	+0.12	
225	Applied GCE AS level	5	-0.14	-0.72	+0.45	
699	AS Level (All)	476	+0.35	+0.26	+0.44	Above average

2. Robust governance and oversight of Academy Trust finances.

Devon Audit Partnership fulfils the Responsible Officer (RO) role and undertakes a full annual audit. During 2014/15 Devon Audit Partnership delivered their schedule of planned works and in both instances the reports deemed that the systems and controls in place met the following levels of assurance:

Areas Covered Level of Assurance:-

Governance, Accounting and Financial Control - High Standard
 Accounting and Financial Control - Anti Fraud - High Standard
 Internal Financial Control - Salaries, Wages and Expenses - High Standard
 Internal Financial Control - Assets - Good Standard
 Internal Financial Control - Income - Good Standard
 Internal Financial Control - Purchases & Payments - High Standard
 Internal Financial Control - Contracts & Tendering - High Standard
 Internal Financial Control - Investments - High Standard
 Policies and Documents - High Standard
 Single Central Record and Safeguarding Return - High Standard
 Off - Site Activities - High Standard
 Minibus - Good Standard
 Pupil Census - High Standard
 Risk Management - High Standard

Devon Audit Partnership made the following observations and statements in their reports:-

"This risk review identifies that the Academy has sound controls and procedures in place in the areas reviewed; this is much to the credit of those staff involved. Where "high standard" has been given, systems were found to be working well and have sound controls".

GOVERNANCE STATEMENT (continued)

"The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. We have made only minor recommendations aimed at further enhancing already sound procedures".

The Finance Committee receive monthly budget monitoring reports and received financial information in line with the EFA guidance on the Key Financial Management information to be reviewed. The Finance Committee are well informed in respect of financial matters associated with the running of the Academy. The Finance Committee have a solid understanding of the financial position both in the short and longer term and are aware of the financial implications of current decisions on the finances in future years.

Regular reports are supplied which include:-

- Monthly management accounts
- Cash flow
- Outturn projections
- Five year financial plans and charts
- Pupil numbers
- Pupil staff ratios
- Key financial indicators (KPIs)
- Debtors
- Balance sheet
- Investment yields
- Virements
- Disposal of assets
- Review of risks
- Update on management actions plans
- Financial modelling reports in respect of any significant areas of risk e.g. changes to funding formula and future pupil numbers.
- Reserves
- Percentage of staffing compared to total income
- Review of fraud checklist supplied by EFA
- Benchmarking data

The Governing Board approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Governing Board also receives and approves the annual Accounts and External Auditors Management Report.

3. Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources.

The Academy regularly benchmarks financial performance against other academy trusts to demonstrate that the Trust provides good value for money. The Audit Committee reviewed benchmarking data in March 2015 and findings highlighted that the College is performing better than average in most areas when comparing overhead cost measures, whilst pupil/teacher measures are in line with the national average.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

All annual maintenance and service contracts are all reviewed annually to ensure that the quotations supplied are competitive and where possible price reductions made; this robust action continues to generate savings for the College.

Utility costs are currently under review; savings in water usage during 2014/15 as a result of modifications made to sanitary systems during the summer of 2014 have yielded savings of £8,400 which has been reinvested to install further water reduction systems during the summer of 2015.

GOVERNANCE STATEMENT (continued)

The College works in collaboration in respect of procuring goods and services with three other secondary schools in order to drive down cost. Where possible services are purchased through the Crescent Purchasing Consortium.

A business case template has been introduced and must be completed and debated before any decision is made by the Senior Leadership Team to allocate resources to any new in year initiatives. The Director of Finance attends all Senior Leadership Team meetings and ensures that the Leadership Team are aware of the financial implications of decisions made.

4. Maximising income generation.

Cash flow is reviewed on a regular basis to ensure that the Academy can maximise income through investment yields in the long and short term.

The Academy is constantly looking to enhance school funds and during 2014/15 the Academy has been awarded several grants as a result of successfully bidding for additional funds:-

Condition Improvement fund (CIF) to build an 8 classroom block £1,634,756
Devon County Council Capital contribution towards above project £100,000
Condition improvement fund refurbishment of languages quad £724,340
Sports England resurface of small astro pitch £75,000
Leisure East Devon contribution towards the above £37,500
Exmouth Town Council Police cadets £1,000
Local partnership Income staffing of the reach centre £32,000
East Devon District Council jump pits £12,500
Devon Enterprise partnership £10,000
One off private donation to fund a post £20,000

The College is currently working towards compiling an application for further Condition Improvement Funding in 2016/17 to replace four science labs and refurbishment of several blocks on the Gipsy Lane site which clearly demonstrates the commitment the College has for finding alternative sources of funding.

The College continues to work with the local authority to secure funds to increase classroom provision to accommodate future demand associated with demographic growth.

5. Reviewing controls and managing risks.

The key risk identified by the Academy is a falling roll over the next five years; in order to address this threat Budget Containment Plans have been compiled and the Governing Board have stated that they want the Senior Leadership Team (SLT) to robustly monitor the delivery of the plans and for regular updates to be presented to the board meetings. The external assurance team at the EFA have regular sight of these plans.

Monthly budget monitoring reports are produced and reviewed by the Director of Finance & Resources and the Principal and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn. These reports are also shared with the Chair and Vice Chair of the Finance Committee.

The Academy Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential.

In addition to the above the Academy has set up a risk management group which regularly reviews the risks to the Academy; in addition the risks are updated during committee meetings as a result of any concerns raised. In May 2015 Devon Audit Partnership reviewed the College's approach to risk management who upon review made the following opinion statement:-

GOVERNANCE STATEMENT (continued)

"The Academy has sound policies and procedures in place in relation to the identification and management of key risks that the Academy faces. It is pleasing to note that the recommendations made in the risk review of 2013/14 have been implemented and the Academy now has a comprehensive Risk Register Policy Statement in place which clearly sets out how the Academy intends to ensure compliance with the Academies Financial Handbook.

Furthermore, both the Audit Committee and Risk Management Working Group have terms of reference in place which are reviewed by the full Governing Board as required. The Academy also has a comprehensive risk register in place which is regularly and actively reviewed and updated at Governor meetings. Therefore it can clearly be confirmed that the risk management procedures in place at the Academy are robust and comprehensive and a high standard of assurance has been provided to the Academy in relation to this area. This is much to the credit of all of the Governors and Academy staff involved in this area".

6. Reviewing operation to maximise use of resources.

The Senior Leadership Team review expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the College Development Plan.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Exmouth Community College for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed David Curnow as Responsible Officer (RO).

GOVERNANCE STATEMENT (continued)

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. Details of the checks carried out in the current period are set out earlier in this statement.

On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

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

Approved by order of the members of the board of trustees on 8 December 2015 and signed on its behalf, by:



Jill Elson
Chair of Trustees



Tony Alexander
Accounting officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Tony Alexander
Accounting officer

Date: 8 December 2015

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

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

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

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

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

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:



**Jill Elson
Chair of Trustees**

Date: 8 December 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXMOUTH COMMUNITY COLLEGE

We have audited the financial statements of Exmouth Community College for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXMOUTH COMMUNITY COLLEGE

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Tim Borton FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date:

15 Dec 2015

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

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EXMOUTH
COMMUNITY COLLEGE AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Exmouth Community College and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Exmouth Community College and EFA, 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 01 April 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain 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.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EXMOUTH
COMMUNITY COLLEGE AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have 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
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

15 December 2015

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

STATEMENT OF FINANCIAL ACTIVITIES

**(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	3,249	81,141	-	84,390	46,413
Activities for generating funds	3	415,323	-	-	415,323	349,336
Investment income	4	32,097	-	-	32,097	29,408
Incoming resources from charitable activities	5	706,634	11,874,816	2,493,592	15,075,042	13,437,196
TOTAL INCOMING RESOURCES		1,157,303	11,955,957	2,493,592	15,606,852	13,862,353
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs		330,333	-	-	330,333	245,617
Charitable activities	11	655,035	12,211,275	1,271,773	14,138,083	14,439,463
Governance costs	7	-	32,745	-	32,745	31,893
TOTAL RESOURCES EXPENDED	10	985,368	12,244,020	1,271,773	14,501,161	14,716,973
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		171,935	(288,063)	1,221,819	1,105,691	(854,620)

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

**STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	22	-	(15,676)	15,676	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		171,935	(303,739)	1,237,495	1,105,691	(854,620)
Actuarial gains and losses on defined benefit pension schemes		-	(41,000)	-	(41,000)	(394,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		171,935	(344,739)	1,237,495	1,064,691	(1,248,620)
Total funds at 1 September		1,241,444	(1,784,763)	26,025,274	25,481,955	26,730,575
TOTAL FUNDS AT 31 AUGUST		1,413,379	(2,129,502)	27,262,769	26,546,646	25,481,955

All activities relate to continuing operations.

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

The notes on pages 30 to 51 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	17		25,624,082		25,948,542
CURRENT ASSETS					
Stocks	18	7,695		7,012	
Debtors	19	1,714,624		602,068	
Investments	20	3,300,000		3,100,000	
Cash at bank		953,390		444,640	
			5,975,709	4,153,720	
CREDITORS: amounts falling due within one year	21	(963,145)		(871,307)	
NET CURRENT ASSETS			5,012,564		3,282,413
TOTAL ASSETS LESS CURRENT LIABILITIES			30,636,646		29,230,955
Defined benefit pension scheme liability	28		(4,090,000)		(3,749,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			26,546,646		25,481,955
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	22	1,960,498		1,964,237	
Fixed asset funds	22	27,262,769		26,025,274	
Restricted funds excluding pension liability		29,223,267		27,989,511	
Pension reserve		(4,090,000)		(3,749,000)	
Total restricted funds			25,133,267		24,240,511
Unrestricted funds	22		1,413,379		1,241,444
TOTAL FUNDS			26,546,646		25,481,955

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2015 and are signed on their behalf, by:



Jill Elson
Chair of Trustees

The notes on pages 30 to 51 form part of these financial statements.

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	24	356,150	(924,213)
Returns on investments and servicing of finance	25	32,097	29,408
Capital expenditure and financial investment	25	120,503	(323,268)
INCREASE/(DECREASE) IN CASH IN THE YEAR		508,750	(1,218,073)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase/(Decrease) in cash in the year	508,750	(1,218,073)
MOVEMENT IN NET FUNDS IN THE YEAR	508,750	(1,218,073)
Net funds at 1 September 2014	444,640	1,662,713
NET FUNDS AT 31 AUGUST 2015	953,390	444,640

The notes on pages 30 to 51 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

Guidance in the Accounts Direction 2014 to 2015 has changed from last year and where this impacts the comparative figures these have been adjusted.

1.2 FUND ACCOUNTING

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.3 INCOMING RESOURCES

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

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

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

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

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

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

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 RESOURCES EXPENDED

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 GOING CONCERN

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

The Trustees conclude that it is appropriate to prepare financial statements on the going concern basis for the year ended 31 August 2015.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,500 are capitalised.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.7 OPERATING LEASES

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

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 TAXATION

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

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.10 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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.11 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The 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 and paid and any balances held are disclosed in note 32.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	3,249	81,141	84,390	46,413

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings	78,998	-	78,998	77,545
Fees received	336,325	-	336,325	255,791
Other	-	-	-	16,000
	<u>415,323</u>	<u>-</u>	<u>415,323</u>	<u>349,336</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	32,097	-	32,097	29,408
	<u>32,097</u>	<u>-</u>	<u>32,097</u>	<u>29,408</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Education	565,405	14,368,408	14,933,813	13,303,241
Nursery	141,229	-	141,229	133,955
	<u>706,634</u>	<u>14,368,408</u>	<u>15,075,042</u>	<u>13,437,196</u>

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
Capital Grants	-	2,338,384	2,338,384	110,284
General Annual Grant	-	11,102,093	11,102,093	11,738,403
Other DfE/EFA grants	-	566,681	566,681	564,184
	-	14,007,158	14,007,158	12,412,871
Other government grants				
High Needs	-	110,746	110,746	138,616
Other government grants non capital	-	67,529	67,529	79,265
Other government grants: capital	-	62,000	62,000	56,506
Income for hosting trainee teachers	-	8,475	8,475	13,675
	-	248,750	248,750	288,062
Other funding				
Internal catering income	479,195	-	479,195	467,995
Sales to students	8,656	-	8,656	7,705
Other curriculum income	77,554	-	77,554	126,608
Other capital grants	-	112,500	112,500	-
	565,405	112,500	677,905	602,308
	565,405	14,368,408	14,933,813	13,303,241

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Education	526,648	13,483,048	14,009,696	14,304,801
Nursery	128,387	-	128,387	134,662
	655,035	13,483,048	14,138,083	14,439,463

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	8,750	8,750	6,700
Auditors' non audit costs	-	6,005	6,005	9,465
Responsible Officer Costs	-	2,725	2,725	2,200
Legal and Professional	-	5,369	5,369	5,925
Other costs	-	2,215	2,215	1,372
Wages and salaries	-	7,681	7,681	6,231
	-	32,745	32,745	31,893

8. DIRECT COSTS

	Education £	Nursery £	Total 2015 £	Total 2014 £
Pension finance costs	77,000	-	77,000	105,000
Educational supplies	635,662	-	635,662	643,882
Examination fees	213,919	-	213,919	210,810
Staff development	18,228	-	18,228	10,435
Other costs	137,866	-	137,866	212,229
Supply teachers	76,252	-	76,252	20,267
Wages and salaries	6,517,137	101,206	6,618,343	6,803,749
National insurance	501,436	4,275	505,711	520,208
Pension cost	1,055,478	12,320	1,067,798	1,021,172
Depreciation	1,004,096	-	1,004,096	1,058,546
	10,237,074	117,801	10,354,875	10,606,298

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. SUPPORT COSTS

	Education £	Nursery £	Total 2015 £	Total 2014 £
Educational supplies	1,499	5,461	6,960	10,569
Recruitment and support	14,419	-	14,419	12,715
Maintenance of premises and equipment	117,358	-	117,358	159,514
Cleaning	251,946	-	251,946	227,054
Rent and rates	115,701	5,125	120,826	138,005
Energy costs	192,667	-	192,667	242,749
Insurance	88,132	-	88,132	95,138
Security and transport	72,886	-	72,886	75,385
Catering	296,667	-	296,667	298,965
Technology costs	85,815	-	85,815	97,258
Office overheads	125,040	-	125,040	130,658
Legal and professional	40,691	-	40,691	68,925
Bank interest and charges	1,099	-	1,099	778
(Profit) / Loss on disposal of fixed assets	2,380	-	2,380	-
Wages and salaries	1,802,865	-	1,802,865	1,740,470
National insurance	67,084	-	67,084	67,342
Pension cost	231,576	-	231,576	205,590
Depreciation	264,797	-	264,797	262,050
	3,772,622	10,586	3,783,208	3,833,165

10. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Expenditure Premises 2015 £	Other 2015 £	Total 2015 £	Total 2014 £
Cost of activities for generating funds	-	-	330,333	330,333	245,617
COSTS OF GENERATING FUNDS	-	-	330,333	330,333	245,617
Education	8,074,051	1,004,096	1,158,927	10,237,074	10,487,534
Nursery	117,801	-	-	117,801	118,764
Support costs - Education	2,101,525	947,594	723,503	3,772,622	3,817,267
Support costs - Nursery	-	5,125	5,461	10,586	15,898
CHARITABLE ACTIVITIES	10,293,377	1,956,815	1,887,891	14,138,083	14,439,463
GOVERNANCE	7,681	-	25,064	32,745	31,893
	10,301,058	1,956,815	2,243,288	14,501,161	14,716,973

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Education	10,237,074	3,772,622	14,009,696	14,304,801
Nursery	117,801	10,586	128,387	134,662
Total	<u>10,354,875</u>	<u>3,783,208</u>	<u>14,138,083</u>	<u>14,439,463</u>

12. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,268,891	1,320,596
Auditors' remuneration	8,750	6,700
Auditors' remuneration - non-audit	6,005	9,465
Operating lease rentals:		
- fixtures, furniture and equipment	140,861	115,822
Loss on disposal of fixed assets	2,380	-
	<u>1,418,087</u>	<u>1,552,583</u>

13. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	8,337,637	8,530,183
Social security costs	572,795	587,550
Other pension costs (Note 28)	1,299,374	1,226,762
	<u>10,209,806</u>	<u>10,344,495</u>
Agency costs	76,252	20,267
Staff restructuring costs	15,000	-
	<u>10,301,058</u>	<u>10,364,762</u>

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

13. STAFF (continued)

b. Staff numbers

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

	2015	2014
	No.	No.
Teachers	149	154
Administration and support	111	110
Management	9	8
	<hr/> 269 <hr/>	<hr/> 272 <hr/>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	2014
	No.	No.
In the band £70,001 - £80,000	2	2
In the band £160,001 - £170,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff amounted to £20,929 (2014 - £20,471).

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

14. TRUSTEES' REMUNERATION AND EXPENSES

During the year, travel and subsistence expenses totalling £64 (2013: £NIL) were reimbursed to 1 trustee (2013: NIL).

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, from the academy in respect of their role as governors. The value of governors' total remuneration for the year (including employers pension contributions) was as follows: A K Alexander: Remuneration £160,000 - £165,000 (2014: £160,000 - £165,000), Employer's pension contribution £0 (2014: £0); R Rooksby £50,000 - £55,000 (2014: £35,000 - £40,000), Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000); R Mitchell: Remuneration £25,000 - £30,000 (2014: £25,000 - £30,000), Employer's pension contributions £0 - £5,000 (2014: £5,000 - £10,000); D Wright: Remuneration £45,000 - £50,000 (2014: £45,000 - £50,000), Employer's pension contribution £5,000 - £10,000 (£5,000 - £10,000); A Gelling £40,000 - £45,000 (2014: £40,000 - £45,000) Employer's pension contribution £5,000 - £10,000 (2014: £0 - £5,000) and I Purchase: Remuneration £20,000 - £25,000 (2014: Not a staff governor), Employer's pension contribution £0 - £5,000 (2014: Not a staff governor).

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 the cover was provided through the Education Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the trustee indemnity element is not separately identifiable (2014: £2,000).

16. OTHER FINANCE INCOME

	2015	2014
	£	£
Expected return on pension scheme assets	212,000	207,000
Interest on pension scheme liabilities	(289,000)	(312,000)
	(77,000)	(105,000)

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures, Furniture and Equipment £	Computer equipment £	Total £
COST				
At 1 September 2014	26,211,682	3,639,245	308,880	30,159,807
Additions	878,500	61,129	7,682	947,311
Disposals	-	(4,800)	-	(4,800)
At 31 August 2015	27,090,182	3,695,574	316,562	31,102,318
DEPRECIATION				
At 1 September 2014	1,688,600	2,225,936	296,729	4,211,265
Charge for the year	524,234	731,554	13,103	1,268,891
On disposals	-	(1,920)	-	(1,920)
At 31 August 2015	2,212,834	2,955,570	309,832	5,478,236
NET BOOK VALUE				
At 31 August 2015	24,877,348	740,004	6,730	25,624,082
At 31 August 2014	24,523,082	1,413,309	12,151	25,948,542

18. STOCKS

	2015 £	2014 £
Catering	7,695	7,012

19. DEBTORS

	2015 £	2014 £
Trade debtors	42,498	80,989
VAT repayable	135,066	104,798
Other debtors	1,601	19,660
Prepayments and accrued income	1,535,459	396,621
	1,714,624	602,068

20. CURRENT ASSET INVESTMENTS

	2015 £	2014 £
Unlisted investments (liquid)	3,300,000	3,100,000

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	178,298	267,112
Other taxation and social security	172,997	172,774
Other creditors	175,019	159,190
Accruals and deferred income	436,831	272,231
	<u>963,145</u>	<u>871,307</u>

DEFERRED INCOME

Deferred income at 1 September 2014	59,768
Resources deferred during the year	124,397
Amounts released from previous years	(59,768)
Deferred income at 31 August 2015	<u>124,397</u>

Deferred income includes funding received for rates, LAP funding and trip income.

22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
Reserves	<u>1,241,444</u>	<u>1,157,303</u>	<u>(985,368)</u>	<u>-</u>	<u>-</u>	<u>1,413,379</u>

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	1,964,237	11,102,093	(11,205,838)	(15,676)	-	1,844,816
Rates	-	50,735	(50,735)	-	-	-
Special needs funding	-	110,746	(110,746)	-	-	-
Pupil premium	-	475,196	(475,196)	-	-	-
Pupil Premium - Year 7 catch up	-	29,500	(17,878)	-	-	11,622
Other DfE/EFA grants	-	30,542	-	-	-	30,542
Graduate Teaching Programme	-	8,475	(8,158)	-	-	317
Stepping stones funding	-	48,134	(12,333)	-	-	35,801
Broadband funding - local authority	-	6,239	(6,239)	-	-	-
Donations	-	81,141	(43,741)	-	-	37,400
DCC - ESG	-	10,000	(10,000)	-	-	-
Access to work	-	3,156	(3,156)	-	-	-
Pension reserve	(3,749,000)	-	(300,000)	-	(41,000)	(4,090,000)
	<u>(1,784,763)</u>	<u>11,955,957</u>	<u>(12,244,020)</u>	<u>(15,676)</u>	<u>(41,000)</u>	<u>(2,129,502)</u>

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	25,011,332	-	(872,327)	-	-	24,139,005
Fixed assets purchased from GAG and other restricted funds	24,314	-	(9,679)	15,676	-	30,311
DfE/EFA Capital grants	959,628	2,319,092	(389,767)	-	-	2,888,953
Donation	30,000	-	-	-	-	30,000
Local Authority	-	62,000	-	-	-	62,000
Other capital grants	-	112,500	-	-	-	112,500
	<u>26,025,274</u>	<u>2,493,592</u>	<u>(1,271,773)</u>	<u>15,676</u>	<u>-</u>	<u>27,262,769</u>
Total restricted funds	<u>24,240,511</u>	<u>14,449,549</u>	<u>(13,515,793)</u>	<u>-</u>	<u>(41,000)</u>	<u>25,133,267</u>
Total of funds	<u>25,481,955</u>	<u>15,606,852</u>	<u>(14,501,161)</u>	<u>-</u>	<u>(41,000)</u>	<u>26,546,646</u>

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the school.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. STATEMENT OF FUNDS (continued)

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

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils.

16-19 Bursary is received from the EFA for pupils over the age of 16.

Graduate teaching programme is a contribution from the University of Exeter and Plymouth towards training costs of PGCE students to enable the funding of professional advice and development sessions.

Stepping stones funding is received from the local authority for the provision of an inclusion service.

Broadband funding is received from the local authority toward the costs of South West Grid for Learning broadband service.

Donations represents a number of donations that have been specifically sought or applied for from organisations for specific purposes to enhance the services provided to students.

Other DfE/EFA grants represents a number of restricted grants received by the academy from the EFA.

Other restricted funds represents a number of restricted grants received by the academy from the local authority.

Pension reserve – This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion represent the building and equipment donated to the school from the Local Authority on conversion to an academy.

Capital Expenditure from GAG - This represents funds transferred from the restricted GAG fund to purchase fixed assets.

DfE/EFA Capital grants represents funding from the EFA to cover the maintenance and purchase of the schools assets.

Donations, local authority and other capital grants relates to other funding received for specific capital projects.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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FOR THE YEAR ENDED 31 AUGUST 2015

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrest'd funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	2	-	25,624,080	25,624,082	25,948,542
Current assets	2,110,213	1,960,498	1,904,998	5,975,709	4,153,720
Creditors due within one year	(696,836)	-	(266,309)	(963,145)	(871,307)
Pension scheme liability	-	(4,090,000)	-	(4,090,000)	(3,749,000)
	<u>1,413,379</u>	<u>(2,129,502)</u>	<u>27,262,769</u>	<u>26,546,646</u>	<u>25,481,955</u>

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	1,105,691	(854,620)
Returns on investments and servicing of finance	(32,097)	(29,408)
Depreciation of tangible fixed assets	1,268,891	-
Deficit on disposal of tangible fixed assets	2,380	-
Capital grants from DfE and other capital funding	(2,493,592)	(146,790)
Increase in stocks	(683)	(203)
Decrease/(increase) in debtors	113,722	(94,364)
Increase/(decrease) in creditors	91,838	(55,828)
FRS17 pension finance (income)/cost	77,000	105,000
FRS17 pension costs less contributions paid	223,000	152,000
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS	<u>356,150</u>	<u>(924,213)</u>

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	1,284	1,495
Income from investments	30,813	27,913
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>32,097</u>	<u>29,408</u>

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FOR THE YEAR ENDED 31 AUGUST 2015

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £	2014 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(947,311)	(70,058)
Sale of tangible fixed assets	500	-
Purchase of short term unlisted investments	(200,000)	(400,000)
Capital grants from DfE and other capital funding	1,267,314	146,790
	<u>120,503</u>	<u>(323,268)</u>
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE	<u><u>120,503</u></u>	<u><u>(323,268)</u></u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	444,640	508,750	-	953,390
NET FUNDS	<u><u>444,640</u></u>	<u><u>508,750</u></u>	<u><u>-</u></u>	<u><u>953,390</u></u>

27. CAPITAL COMMITMENTS

At 31 August 2015 the Academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	<u><u>2,163,301</u></u>	<u><u>-</u></u>

28. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

28. PENSION COMMITMENTS (continued)

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a 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.

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28. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £480,000, of which employer's contributions totalled £360,000 and employees' contributions totalled £120,000. The agreed contribution rates for future years are 19.7% for employers and 5.5 - 7.5% for employees.

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

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities and gilts	6.00	2,340,000	6.40	2,185,000
Bonds	6.00	186,000	-	137,000
Property	6.00	403,000	5.90	325,000
Cash	6.00	88,000	2.90	69,000
Target return portfolio	6.00	565,000	5.90	486,000
Infrastructure and alternative assets	6.00	182,000	4.50	156,000
Total market value of assets		3,764,000		3,358,000
Present value of scheme liabilities		(7,854,000)		(7,107,000)
Deficit in the scheme		(4,090,000)		(3,749,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(7,854,000)	(7,107,000)
Fair value of scheme assets	3,764,000	3,358,000
Net liability	(4,090,000)	(3,749,000)

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

	2015 £	2014 £
Current service cost	(583,000)	(491,000)
Interest on obligation	(289,000)	(312,000)
Expected return on scheme assets	212,000	207,000
Past service cost	-	(12,566)
Total	(660,000)	(608,566)

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28. PENSION COMMITMENTS (continued)

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

	2015	2014
	£	£
Opening defined benefit obligation	7,107,000	6,336,000
Current service cost	583,000	491,000
Interest cost	289,000	312,000
Contributions by scheme participants	120,000	108,000
Actuarial Gains	(182,000)	(155,000)
Benefits paid	(63,000)	15,000
	<hr/>	<hr/>
Closing defined benefit obligation	7,854,000	7,107,000
	<hr/>	<hr/>

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

	2015	2014
	£	£
Opening fair value of scheme assets	3,358,000	3,238,000
Expected return on assets	212,000	207,000
Actuarial gains and (losses)	(223,000)	(549,000)
Contributions by employer	360,000	339,000
Contributions by employees	120,000	108,000
Benefits paid	(63,000)	15,000
	<hr/>	<hr/>
	3,764,000	3,358,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of financial activities was £1,292,000 (2014: £898,000).

The Academy expects to contribute £410,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities and gilts	62.00 %	65.00 %
Bonds	5.00 %	4.00 %
Property	11.00 %	10.00 %
Cash	2.00 %	2.00 %
Target return portfolio	15.00 %	14.00 %
Infrastructure and alternative assets	5.00 %	5.00 %

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Expected return on scheme assets at 31 August	6.00 %	6.00 %
Rate of increase in salaries	4.50 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %
Inflation assumption (CPI)	2.70 %	2.70 %
Inflation assumption (RPI)	3.60 %	3.50 %

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

28. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	26.1	26.0
Retiring in 20 years		
Males	25.1	24.9
Females	28.4	28.3

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined benefit obligation	(7,854,000)	(7,107,000)	(6,336,000)	(5,338,000)	-
Scheme assets	3,764,000	3,358,000	3,238,000	2,514,000	-
Deficit	(4,090,000)	(3,749,000)	(3,098,000)	(2,824,000)	-
Experience adjustments on scheme liabilities	182,000	155,000	(310,000)	(858,000)	-
Experience adjustments on scheme assets	(223,000)	(549,000)	221,000	49,000	-

29. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
EXPIRY DATE:				
Within 1 year	-	-	27,019	31,136
Between 2 and 5 years	-	-	123,495	110,472
After more than 5 years	-	-	-	4,857

30. 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.

**NOTES TO THE FINANCIAL STATEMENTS
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31. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust'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 an arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

Staff governors received remuneration is disclosed in note 14.

Mrs S Wright, wife of Mr D Wright, a trustee, is employed as a teacher in the Drama department. Mrs Wright's appointment was made prior to Mr Wright's appointment and at no point was Mr Wright involved in the decision making process. Mrs Wright is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a Trustee.

32. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £53,100 and distributed £33,808 from the fund. An amount of £19,292 is included in other creditors relating to undistributed funds that is repayable to EFA.