

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2018**

Current Members

Margaret Turgoose
Linda Brown (appointed 11 September 2018)
Elizabeth Lee (appointed 11 September 2018)
Alison Maddaford (appointed 11 September 2018)
Barbara Mason (appointed 11 September 2018)
Robert Worrell (appointed 11 September 2018)

Trustees (and Members

until 11 September 2018*) Jill Elson, Chair (until 11 September 2017)^{3,5,6}
Lesley Miszewska, Vice chair^{1,2,3,6,7}
Clare Babbage (resigned 31 August 2018)^{2,3,6}
Ray Davison^{1,3,6}
Lyn Edwardson (resigned 6 December 2017)³
Andrew Gelling^{1,2,3}
Kim Johnson^{1,2,5}
Ruth Jones (resigned 31 August 2018)³
Ian MacQueen^{1,3,5}
Clair McColl²
Malcolm McDonagh^{1,3,7}
Robert Mitchell^{1,3,6}
Vicky Raven^{2,3}
Marianne Skinner^{1,2,5}
Anna Stimson²
Margaret Turgoose, Chair (from 12 September 2017)^{1,2,3}
Philip Wales^{1,2}
Andrew Davis (appointed 1 September 2017)^{1,2,3,5,6,7}
Anna Streater (appointed 1 September 2017)^{1,7}
Sally Webster (appointed 1 December 2017, resigned 4 July 2018)¹
Suzanne Loader (appointed 1 September 2018)
Emily McGrath (appointed 11 September 2018)

- ¹ Human Resources Committee
- ² Curriculum Committee
- ³ Resources Committee
- ⁵ Audit Sub Committee
- ⁶ Value for Money Sub Committee
- ⁷ Pay Committee

* Until 11 September 2018 all Trustees also served as Members of the Company for the duration of their appointment as a Trustee. On 11 September 2018 all existing Members (with the exception of Margaret Turgoose (the Chair)) resigned and were replaced by 5 new Members as detailed above.

**Company registered
number**

07554085

Company name

Exmouth Community College

**Principal and Registered
office**

Gipsy Lane
Exmouth
Devon
EX8 3AF

Company secretary

Kim Dearsly

Accounting Officer

Andrew Davis (from 1 September 2017)

**Senior management
team**

Mr A Davis, Principal (appointed 1 September 2017)
Mr G Allen, Deputy Principal

**EXMOUTH COMMUNITY COLLEGE
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Mr D Turner, Deputy Principal
Mrs K Dearsly, Director of Finance and Resources
Miss L Bowles, Assistant Principal
Miss H Miles, Assistant Principal
Mr S Tanner, Assistant Principal

Independent auditors

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

Bankers

Lloyds Bank PLC
PO Box 1000
BX1 1LT

Solicitors

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

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. 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 2,272 in the school census on 6 October 2017.

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 and up to the date that these Financial Statements are approved, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time **£**

Total cost of facility time	476
Total pay bill	9,994,507
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

The Academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

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

When appointing new Trustees, the Board 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 induction process for Trustees has been reviewed this year. The training and induction provided will depend upon each individual's existing experience, but will always include a tour of the Academy, a chance to meet staff and pupils and all new Trustees are assigned a mentor who is an existing, experienced Trustee. 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. Discussion takes place to determine which of the Committees the Trustee is best suited to sit on (depending upon their skills and knowledge) and which departments they will be linked with. Training courses are booked as required, taking advantage of the courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets twice each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 10 committees as follows;

- Resources Committee – Reviews all aspects in relation to the financial management/performance of the College and the Asset Management of the College and meets at least five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels.
- Curriculum Committee - this meets five times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Admissions Committee which meets twice a year to deal with all matters relating to admissions.
- Human Resources Committee – meets at least once a term to monitor, evaluate and review Academy policy, practice and performance in relation to staffing, pay and employment issues, and to ensure compliance with employment legislation and relevant local agreements.
- Audit Committee – meets three times a year to provide the Board of Governors with the necessary assurances and quality control.
- Pay Committee – meets twice a year to approve teachers' salaries following recommendations from the Principal / Senior Leadership Team, on whether to award performance pay in line with the College's policy.
- Pay Appeals Committee – to hear an appeal against any decision made by the Principal or any other committee of the governing board in accordance with the College's Pay Policy.
- Risk Management – meets three times a year to identify and manage financial and operational risk.
- Principals Performance Management Group – meets three times each year to undertake the Principal's appraisal.
- Other Committees such as the First Committee (staff discipline), the Complaints Committee and Pupil Discipline Committee meet as and when required.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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

The Principal is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

The performance and pay of the Principal is monitored and evaluated annually by the Principal Appraisal and Pay Review (PAPR) committee which is elected by the Governors.

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

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

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

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

Related Parties and other Connected Charities and Organisations

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

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

The College also has informal links with the South West Academies Group, Dartmoor Teaching School Alliance and the West Country Teaching School Alliance. The College is also an active member of the Exmouth Area Learning Community alongside our partner primary schools.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principle 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 2018 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.

Exmouth Community College's vision is:-

"To inspire all individuals to be better than they ever thought possible."

In order to achieve this, we will:

1. Produce students who have pride in their school and have both an appetite to know and a capacity to learn through the offer of a broad, inclusive curriculum which enriches students' education and provides them with the opportunity to discover, develop and achieve their full potential while preparing them for the next stage of their life.
2. Employ staff who are proud to work at our school and have the ability to care for students with humanity and sensitivity while also nurturing, challenging and inspiring every student to fulfil their intellectual, imaginative and physical capacities.
3. Provide an exciting, innovative, broad and balanced curriculum which inspires curiosity, creativity, resilience and confidence at the same time as providing a world class preparation for life and teaches fundamental British values.
4. Achieve the highest academic standards through excellent teaching and learning delivered by staff who relish the opportunity to work in our school because they feel inspired, valued and supported to do their best for all students whilst simultaneously inspiring a lifelong passion for learning and a desire to contribute positively to society.
5. Provide a range of memorable learning opportunities which broaden cultural horizons and prepare them for life in a multi-cultural, global community, with an appreciation of other humans and our planet.
6. Work together with other Academies / schools, educational / business partners and our parents / carers to provide an exceptional educational experience for our students and provide exceptional professional development for our staff.
7. Continuously strive to establish a safe campus with state of the art facilities and resources to support exemplary learning.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Objectives, Strategies and Activities

The main objectives of the Academy during the year ended 31 August 2018 are:-

- Improve the quality of teaching and raise pupils' attainment in Key Stage 3, 4 & 5.
- Improve pupils' personal development, behaviour and welfare by developing their self confidence and resilience;
- Ensure the best possible outcomes through economic, efficient and effective use of resources, an appropriate and inspiring curriculum offer and sound financial planning;
- Improve the quality of leadership at all levels in the College in order to reduce levels of within school variation;
- 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.

These aims are all summarised within our Academy Improvement Plan which was monitored throughout the year by senior staff and the Board of Trustees and also incorporated areas of development as highlighted by Ofsted.

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.

STRATEGIC REPORT

Achievements and Performance

Post-16 performance

Based on initial unvalidated data our Post-16 students once again made progress significantly above national expectation scoring +0.23. Once validated this would represent a further increase on the results achieved last year. In terms of attainment, whilst the performance of Post-16 learners with the highest achievement on entry is estimated to be in the top 10% of the country, it is also important to recognise that all other prior achievement levels were estimated to be in the top 40% of schools nationally. Various categories such as boys, girls and disadvantaged students were all also estimated to be in the top 40% of schools nationally. Seven subjects were significantly above national expectation with a further 23 subjects in line with national expectations.

In terms of attainment and average points score per entry we were above or in line with national averages for all bands of prior achievement with the attainment of students in Grade B and Grade C bands particularly strong.

GCSE performance

Performance at the end of Year 11 showed some significant increases from the 2017 results. In terms of progress we are estimating that the College will improve from -0.43 to -0.24 subject to national validation and appeals. Improvements in progress were seen across all the major areas of Maths, English, Science, English Baccalaureate and Open subjects. The progress of disadvantaged students also improved however, unfortunately, the progress of children with special educational needs decreased. During the year significant changes have been made to our curriculum which will result in further significant improvements to overall progress.

With regard to attainment we achieved a 5% increase to the percentage of students achieving grades 9-5 including English and Maths which is above the national figure for 2017. Our Attainment 8 figure also improved significantly from 2017. The national figure for 2018 is not known at the time of writing.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, book scrutiny, learning walks and lesson drop ins, which are undertaken by the Heads of Department and the Senior Leadership Team. The College has invested in various data systems such as Class Charts and iDASH to enable data to be collected more rapidly in order to identify and act on areas of underperformance.

The Academy was inspected by OFSTED in November 2017 and was judged to be Requiring Improvement overall with a judgement of good for Post 16 provision. Whilst disappointing the Governors, alongside staff, have implemented a series of very robust actions to improve performance which has already resulted in greater rates of progress for students in this year's GCSE results.

During the year (but recognised as accrued income in the prior year), the Academy secured a contribution from the local authority towards car parking area outside the Grange building, for the sum of £95,000. The contribution secured from the local authority to improve car parking on site and reduce vehicle pupil conflict on the Gipsy lane site has significantly reduced the safeguarding issues and also addresses reduced capacity on site whilst phase 2 of the maths block build commences.

The Premises department received its annual audit inspection undertaken by Devon County Council Health and Safety department and secured 97% demonstrating a high standard of compliance.

The Premises department met its legal obligations and undertook both the Annual Fire and Asbestos Management inspections and associated risk assessments during the year and no areas of high risk or concerns were highlighted in the reports. The Academy has been working in partnership with the Education Skills Funding Agency to undertake feasibility study in order to determine the size and location of the replacement Humanities block, Science and Technology rooms estimated between £10 - £12 million.

The Premises department commissioned a Mechanical and Engineering condition survey which was undertaken in March 2018 and this will now help to inform where future resources will be allocated in respect of premises management and planning.

The Director of Finance & Resources undertook a self assessment in respect of Good Estate Management Tool Kit provided by the ESFA. A high level of compliance was achieved by the Academy which provides reassurances that policies, processes and documents are in place as outlined in the tool kit.

Continuing professional development for staff has been very successful.

- All new and current staff attended Safeguarding training either during the first two 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;
- Rolling programme of Emergency First Aid at Work training continues, with 10 members of staff undertaking a one day course provided by Edison Tiger;
- Safer Recruitment Refresher and Child Protection Refresher training has been undertaken by members of the Senior Leadership Team (SLT) and Governors as required;
- Diverse range of training courses have been attended by staff including; Plate Collodion Course, Classics for all, Data & Assessment Network meetings and conferences, Drama Magic Q Basic training, Cyber Crime & GDPR, Attendance workshops, Library Cataloguing training, Problem Solving in Mechanics, Duke of Edinburgh Assessor Training, British Sign Language Level 3;
- The Premises Team continue to update their Health & Safety training requirements, including Asbestos Awareness and Legionella Awareness;
- One member of the Premises Team is undertaking NEBOSH (Occupational Health & Safety) training;
- The Catering Team continue to update their Food & Hygiene training requirements;
- Rolling programme of Manual Handling training initiated, with 13 members of staff undertaking an online training course;
- Teaching Assistant (TA) staff attended Precision training;
- Three members of support staff have completed their NVQ;
- Five members of staff have attended seminars and training regarding GDPR;
- All new and current staff attended GDPR training in preparation for the National changes on 25th May 2017
- The Technology Department are keeping relevant training up to date on various pieces of machinery;

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- Information shared with all staff to include the PREVENT Duty Presentation, EpiPen Training Video and Lifesaver App, Emergency Evacuation Induction/Refresher, Asbestos Induction, Working at Height;
- Four members of staff and one casual member of staff refreshed their minibs driving certification;
- One member of the Finance Team has completed her AAT Professional Diploma;
- One Higher Level Teaching Assistant is undertaking Exam Access Arrangements training;

Overall feedback taken from training evaluation forms received (based on 51 forms received);

Content		Delivery		Value for Money	
Outstanding	35%	Outstanding	41%	Excellent	80%
Good	61%	Good	55%	Satisfactory	20%
Needs Improvement	4%	Needs Improvement	4%	Poor	0%
Cause for Concern	0%	Cause for Concern	0%	Not Applicable	0%

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) there is no restriction on carry forward as this was amended via deed of variation in 2016/17. In period under review, £934,333 was carried forward representing 8.9% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018 were 2295 an increase of 3 over 2017. It is anticipated this number will continue to rise.

The Academy received 100% good and high reports from the Responsible Officer visits undertaken during the year.

The following KPI's were advised to the Trustees when the budget was prepared for 2017/18:-

Key performance indicators	Set as per agreed budget	Achieved
Pupil teacher ratio	16.98	17.34
Percentage of staffing costs to GAG income	92%	92%
Percentage of Staffing costs to Total Income	87%	84%
Percentage of salary costs as a % of total expense	82%	76%

EXMOUTH COMMUNITY COLLEGE
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The table below shows the ECC's GCSE results compared to 2017 GCSE results across a range of key performance indicators such as the percentage of students achieving a passing Eng and Mat (English and Mathematics) and the percentage of students entering the English Baccalaureate suite of qualifications. In addition the table breaks down into three sub groups of students, the disadvantaged group of students, who will be receiving Pupil Premium funding and students with special educational needs who either have an Educational Health Care Plan (EHC/Statement) or are receiving additional support from the special needs in a specific area of need.

Exmouth Community College

2018 KS4 Headline Data - Year 11 Results 2018 (Summer 2018)

2018			2017		<div>Key</div> <div>P8>0.5</div> <div>P8<0</div> <div>P8<-0.5</div>	
Key stage 4 cohort information	Count	%	School			
	374		384			
	191	51%	50%			
	183	49%	50%			
	81	22%	18%			
	6	2%	4%			
	5	1%	2%			
	26	7%	13%			
	GCSE and equivalent KPI			2017 - School		2017 - National
% achieving pass in Eng and Mat (9-5 9-4)	45.7%	65.8%	41%	65%	43%	64%
% achieving the Eng Bacc APS (beta)	7.2%	3.74	10%		21%	
% entering the English Baccalaureate	16.0%		14%		38%	
% entering more than one language	4.3%		%			
% entering three single sciences	16.3%		%			
Disadvantaged	2018		2017			
	Count	%	School			
GCSE and equivalent KPI			2017 - School (Disadvantaged)		2017 Benchmark (Other)	
% achieving pass in Eng and Mat (9-5 9-4)	35.8%	43.2%	64%	64%	49%	71%
% achieving the Eng Bacc APS (beta)	2.5%	3.03	4%		26%	
% entering the English Baccalaureate	9.9%		6%		43%	
% entering more than one language	6.2%					
% entering three single sciences	14.8%					
SEN EHC / Statement	2018		2017			
	Count	%	School			
GCSE and equivalent KPI			2017 - School (EHC)		2017 Benchmark (All)	
% achieving pass in Eng and Mat (9-5 9-4)	20.0%	20.0%	5%	5%	43%	64%
% achieving the Eng Bacc APS (beta)	0.0%	2.00	17%		21%	
% entering the English Baccalaureate	0.0%		17%		38%	
% entering more than one language	0.0%					
% entering three single sciences	20.0%					
SEN Support	2018		2017			
	Count	%	School			
GCSE and equivalent KPI			2017 - School (SEN Support)		2017 Benchmark (All)	
% achieving pass in Eng and Mat (9-5 9-4)	11.5%	30.8%	47%	47%	43%	64%
% achieving the Eng Bacc APS (beta)	0.0%	1.76	0%		21%	
% entering the English Baccalaureate	0.0%		4%		38%	
% entering more than one language	0.0%					
% entering three single sciences	0.0%					

Key

P8>0.5
P8<0
P8<-0.5

**EXMOUTH COMMUNITY COLLEGE
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The table below shows ECC's results for students in Post-16 provision and breaks down into particular groups such as gender as well as into prior attainment groups such based on the grades achieved by students in their GCSEs at the end of Year 11. The value added column measures the amount of progress students make from their GCSEs to the end of their time in Post-16 against national expectation (positive scores mean they have achieved above national expectation).

A Level Cohort (includes A and AS Levels)

A Level Cohort		Attainment			Value Added		
	End of KS5 Cohort	Equiv Entries	Average points score per entry	Avg pts per entry as grade	Entries (count)	Equiv Entries	VA Score
All Students	138	308.5	30.86	C	322	308.5	0.23
Male	61	146.5	30.78	C	149	146.5	0.21
Female	77	162.0	30.93	C	173	162.0	0.25
Disadvantaged	20	39.5	27.09	C-	42	39.5	0.18
Other	118	269.0	31.41	C	280	269.0	0.24
Prior attainment (GCSE and equivalent)							
A and above	17	44.5	44.72	B+	46	44.5	0.41
B	61	150.5	31.76	C+	154	150.5	0.19
C	51	99.0	24.39	D+	106	99.0	0.19
D or below	6	8.0	20.63	D	9	8.0	0.35

Academic Cohort

Academic Cohort		Attainment			Value Added		
	End of KS5 Cohort	Equiv Entries	Average points score per entry	Avg pts per entry as grade	Entries (count)	Equiv Entries	VA Score
All Students	140	321.7	31.31	C	366	321.7	0.26
Male	62	152.2	31.14	C	168	152.2	0.23
Female	78	169.5	31.46	C	198	169.5	0.28
Disadvantaged	20	41.6	27.57	C-	49	41.6	0.22
Other	120	280.1	31.86	C+	317	280.1	0.26
Prior attainment (GCSE and equivalent)							
A and above	17	46.3	44.99	B+	52	46.3	0.41
B	62	156.5	32.20	C+	174	156.5	0.22
C	52	103.5	25.16	C-	121	103.5	0.24
D or below	6	8.3	19.76	D	10	8.3	0.25

Attendance - 93.6%

Number of fixed term exclusions - FTE – 337 days

Going Concern

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2018, excluding fixed asset and pension reserves, the Academy received total income of £12,216,301, incurred total expenditure of £12,546,965. The excess of expenditure over income for the year (excluding fixed asset and pension reserve, but after transfer of £2,776) was £333,440.

At 31 August 2018 the net book value of fixed assets was £26,821,815 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 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 four internal audit visits from the Responsible Officer which contained no matters of significance.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £2,300,000. The primary reason for this is to provide sufficient working capital to cover the fall in pupil numbers over the next three years and to protect staffing levels in the short term thus avoiding the need to incur redundancy costs. Total reserves of the academy amount to £23,898,199, although £21,178,426 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £2,719,773 (representing £1,785,440 unrestricted funds and £934,333 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 2.6 months of normal recurring expenditure.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

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

Principal Risks and Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 91% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy 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 Director of Finance & Resources undertakes an annual review of the ESFA recommended Fraud checklist and ensures that any training offered by the academies banking provider in respect of fraud prevention is shared with the Finance Team.

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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.

Risks to revenue funding remain whilst we are in the last year of a falling roll is high, this is a result in local demographics, the freeze on the governments overall education budget, loss of ESG funding, changes to funding arrangements for special education needs, the introduction of the national living wage, introduction of the apprenticeship levy and unfunded inflationary increases linked to pay awards mean that budgets will be an increasing concern. The College has in place robust containment plans to address the short term fall in pupil numbers and reduction in education funding which must be robustly delivered by the Accounting Officer and the Senior Leadership Team all of whom receive regular financial updates on the financial performance of the Academy. Reserves will protect the Academy in the short and medium term however the Academy recognises budget containment must continue for a period of time and more work is required to ensure balanced budgets in the future; work is ongoing to ensure this risk is addressed.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Academy does not use any commercial or professional bodies to undertake fundraising on its behalf. Where possible the Academy looks where possible to generate additional funds and this is undertaken internally by staff using the local authority Devon funding news to review what sources of funding are available to Schools and Colleges.

PLANS FOR FUTURE PERIODS

Our Academy Improvement Plan (AIP) will continue to focus on areas for development that we have identified through our data and School Evaluation Form in conjunction with our most recent Ofsted report. The board areas of development within the AIP are:

- Building on the improvements made in 2017 by focusing particularly on further improving the progress of students in receipt of Pupil Premium, SEND students and boys. Improving literacy across the school.
- Continuing to embed our fundamentals of teaching and learning at the College by providing focused, individualised and sustainable CPD within a culture of intelligent accountability, joint practice development and an openness at all levels to doing things differently when required.
- Improving student attendance and behaviour, our behaviour management at all levels and behaviour for learning - again particularly of our most vulnerable students.
- Working together on a refreshed vision for the College which goes beyond just exam results.
- Linked to priority four looking at our curriculum to review which character traits we think are important and how, as a College, through our opportunities, teaching and curriculum we explicitly develop traits such as grit, resilience, independence, integrity and British Values including further development of the role of Lesson 42 (this is our name for lessons which covers topics such as relationships and careers advice within our Personal Development programme) within that offer.
- Continuing to operate within a financially constrained budget and ongoing campus development particularly with regard to the Priority School Build 2 programme.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

Full details of our plans for the future are given in our Academy Development Plan, which is available on our website or from the Clerk to the Trustees.

The Academy is currently working with the Education Skills Funding Agency project team to scope the successful application for Priority Schools Funding Programme 2 project which will see the demolition and rebuild of the humanities and Science rooms and design technology rooms on the Gipsy Lane site, this work is anticipated to commence in the summer of 2019.

The Academy has completed a business case which has been submitted to the Secretary of State for Education's approval in respect of the sale of a redundant cottage on the Gipsy Lane site; verbal approval in principle has been received but written approval is awaited before any sale can take place.

The Academy is working with Devon County Council to address 'basic need' building requirements identified by Devon County Council which is linked to additional pupil places required in future years; phase 2 of the maths block forms part of these plans.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Staff Consultation and Disability for Employees

With regard to staff consultation the Governing Board has worked tirelessly to ensure that staff of the Academy are consulted at all times on fundamental issues impacting upon their employment and condition of service. To this end the Board worked jointly with staff and their representatives to prepare a 'Statement of Intent' which cover all such aspects.

Disability

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

TRUSTEES INDEMNITIES

There were no third party indemnity provisions during the year or at the date of approval of the Trustees' report.

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.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 11 December 2018 and signed on the board's behalf by:



**Margaret Turgoose
Chair of Trustees**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 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
Jill Elson, Chair (until 11 September 2017)	7	7
Lesley Miszewska, Vice chair	7	7
Clare Babbage	4	7
Ray Davison	5	7
Lyn Edwardson	3	3
Andrew Gelling	7	7
Kim Johnson	6	7
Ruth Jones	5	7
Ian MacQueen	6	7
Clair McColl	5	7
Malcolm McDonagh	5	7
Robert Mitchell	6	7
Vicky Raven	7	7
Marianne Skinner	6	7
Anna Stimson	6	7
Margaret Turgoose, Chair (from 12 September 2017)	7	7
Philip Wales	4	7
Andrew Davis (Principal and Accounting Officer)	7	7
Anna Streather	5	7
Sally Webster	3	4
Suzanne Loader	0	0
Emily McGrath	0	0

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

1. Following Mr Alexander's announcement to retire on 31.08.17 the Governing Board were involved in the recruitment of a new Principal, which took place in March 2017. The process saw the appointment of Mr Andrew Davis as from 01.09.17.

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

"Governance within the Academy continues to be very well managed and clearly demonstrated – it remains evident that Directors, Senior Management, Finance staff and the Clerk to Governors are all extremely dedicated and have spent considerable time and effort in continuing to support the Academy, hence a high standard of assurance being provided in this area.

GOVERNANCE STATEMENT (continued)

This first key financial systems review of 2017-18 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. Furthermore, Governors' minutes were reviewed and are considered very good quality and clearly record Director business and decision-making, this is much to the credit of the Academy and in particular to the Clerk to Governors.

It is also pleasing to note that a review of the Academy website confirmed that all of the statutory information and documentation is posted on there and the website continues to be very well maintained.

A review of the accounting and budgeting practices at the Academy confirmed that budget returns and monitoring information provided to Directors and staff is relevant, accurate, timely and user friendly. At the time of the audit the Director of Finance and Resources was in the process of producing the month two budget monitoring report. As this review took place early on in the Academy financial year, a further review will also be undertaken by audit later on in the 2017/18 academic year in order to further confirm the budget practices."

and judged this area to be of a "high standard" in November 2017

3. We review the skills of the Governing Board on an ongoing basis, based on the skills audit (recommended by the National Association of Governors). This informs plans for training to be undertaken by individuals. It also inputs to discussions about where there might be skills gaps and therefore how, when looking for new Governors, we might attempt to fill these. We expect there to be Governor vacancies next year and for Community Governors we will specifically seek to fill the gaps we have identified.

4. 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:

- Monitoring and evaluating 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.
- To succession plan for changes to membership of the Board and the Senior Leadership Team.
- Supporting the work to bid for grants to replace outdated buildings and plan to increase capacity for when student numbers increase (2019 onwards).
- Discussing and agreeing the plans in place to embed the new curriculum and the implementation of changes to exam structure and Progress 8.
- To review the governance structure and implement changes so that from September 2018 onwards, the roles of Members and Trustees will be separated as recommended by the Academies Financial Handbook 2017.

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to review all aspects in relation to the financial management / performance of the College and the Asset Management of the College. It meets at least five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer / internal audit and drafting the annual budget including setting staffing levels.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Clare Babbage	2	5
Ruth Jones	2	5
Andrew Davis	5	5
Ray Davison	4	5
Lesley Miszewska	5	5
Jill Elson, Chair	5	5
Ian Macqueen	3	5
Robert Mitchell	5	5
Vicky Raven	5	5
Andrew Gelling	5	5
Malcolm McDonagh, Vice Chair	4	5
Margaret Turgoose	4	5

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

During the year Jill Elson joined the committee. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Kim Johnson, Vice Chair	3	3
Marianne Skinner	2	3
Ian MacQueen, Chair	3	3
Andrew Davis	1	3
Jill Elson	1	1

The membership of this committee has been reviewed for 2018-2019 following the Academies Financial Handbook which advises that "Employees should not be members of an audit committee but the accounting officer and other relevant staff should routinely attend to provide information and participate in discussions". Staff members have been removed from membership of the audit committee and the Accounting Officer will be an associate member.

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management by reducing in year budget deficit.
- Active and regular review of budget containment plans
- Value for money purchasing.
- Reviewing controls and managing risk.
- Reviewing Monthly and timely Management Accounts.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar Academies using data provided by the ESFA and the Government and Kreston benchmarking reports.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing the premises structure.
- Reviewing quality of curriculum provision and quality of teaching.

GOVERNANCE STATEMENT (continued)

- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.
- Reviewing the tendering and procedure policy limits in line with other local academies.

An example of this are the savings achieved through the tendering exercise of the grounds maintenance contact and broadband providers which combined equates to annual savings of £11,674.

In addition, support staffing structures were benchmarked against similar schools and the outcomes informed the review which achieved staffing reductions of:-

5.55 FTE Teaching Staff
8.99 FTE Teaching Assistants
2.62 FTE Cover and Raising achievement posts.
0.79 FTE Resources

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 2017 to 31 August 2018 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 2017 to 31 August 2018 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.
- Provision on monthly management accounts which are scrutinised by the Chair of the Resources Committee and the Chair of Governors. These are also scrutinised by the Resources Trustees at each of their committee meetings.
- Regular review of the medium and longer term financial forecasts.
- Regular scrutiny of financial KPIs.
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Regular Review of the Balance Sheet.
- Clearly defined purchasing (assets purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.
- Annual review of the fraud checklist.
- Robust scrutiny by the Responsible Officer.
- External Audits received from the Devon County Council Facilities Management audit.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Devon Audit Partnership as internal auditor.

GOVERNANCE STATEMENT (continued)

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

Visit 1 - November, 2017

Governance Accounting and Financial Review	High Standard
Accounting and Financial Control - Anti Fraud	High Standard
Internal Financial Control – Salaries, Wages and Expenses	High Standard
Internal Financial Control – Assets	High Standard

Visit 3 – March 2018

Internal Financial Control - Income	High Standard
Internal Financial Control - Purchasing and Payments	High Standard
Internal Financial Control - Contract & Tendering	High Standard
Internal Financial Control – Investments	High Standard

Visit 4 – June 2018

Risk Management	High Standard
Internal Financial Control – Contracts and Leases	High Standard
Internal Financial Control – CIF Bids	High Standard

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

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and was pleased with the high level of assurances provided in all areas.

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on their behalf, by:



Margaret Turgoose
Chair of Trustees



Andrew Davis
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Exmouth Community College I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



Andrew Davis
Accounting Officer

Date: 11 December 2018

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**Margaret Turgoose
Chair of Trustees**

Date: 11 December 2018

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

OPINION

We have audited the financial statements of Exmouth Community College (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

USE OF OUR REPORT

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



Tim Borton FCA (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:

18 Dec 2018

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

In accordance with the terms of our engagement letter dated 16 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF EXMOUTH COMMUNITY COLLEGE'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Exmouth Community College's funding agreement with the Secretary of State for Education dated 1 April 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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:

18 Dec 2018

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	11,658	-	40,792	52,450	364,671
Charitable activities	5	1,001,915	11,098,426	-	12,100,341	12,675,226
Other trading activities	3	82,844	-	-	82,844	96,556
Investments	4	21,458	-	-	21,458	27,359
TOTAL INCOME		1,117,875	11,098,426	40,792	12,257,093	13,163,812
EXPENDITURE ON:						
Charitable activities		1,011,984	12,178,981	655,581	13,846,546	14,349,750
TOTAL EXPENDITURE	6	1,011,984	12,178,981	655,581	13,846,546	14,349,750
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		105,891	(1,080,555)	(614,789)	(1,589,453)	(1,185,938)
Transfers between Funds	18	-	(2,776)	2,776	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		105,891	(1,083,331)	(612,013)	(1,589,453)	(1,185,938)
Actuarial gains on defined benefit pension schemes	23	-	1,468,000	-	1,468,000	1,698,000
NET MOVEMENT IN FUNDS		105,891	384,669	(612,013)	(121,453)	512,062
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,679,549	(5,118,336)	27,458,439	24,019,652	23,507,590
TOTAL FUNDS CARRIED FORWARD		1,785,440	(4,733,667)	26,846,426	23,898,199	24,019,652

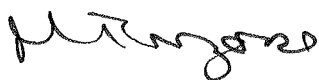
The notes on pages 32 to 54 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		26,821,815		27,186,994
CURRENT ASSETS					
Stocks	14	6,940		7,020	
Debtors	15	462,125		599,464	
Investments	16	2,100,000		2,000,000	
Cash at bank and in hand		964,920		1,499,244	
			3,533,985	4,105,728	
CREDITORS: amounts falling due within one year	17	(789,601)		(781,070)	
NET CURRENT ASSETS			2,744,384		3,324,658
TOTAL ASSETS LESS CURRENT LIABILITIES			29,566,199		30,511,652
Defined benefit pension scheme liability	23		(5,668,000)		(6,492,000)
NET ASSETS			23,898,199		24,019,652
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	934,333		1,373,664	
Fixed asset funds	18	26,846,426		27,458,439	
Restricted funds excluding pension liability		27,780,759		28,832,103	
Pension reserve		(5,668,000)		(6,492,000)	
Total restricted funds			22,112,759		22,340,103
Unrestricted funds	18		1,785,440		1,679,549
TOTAL FUNDS			23,898,199		24,019,652

The financial statements on pages 29 to 54 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:



Margaret Turgoose
Chair of Trustees

The notes on pages 32 to 54 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	20	(255,888)	(156,982)
Cash flows from investing activities:			
Interest receivable		21,458	27,359
Proceeds from the sale of tangible fixed assets		500	-
Purchase of tangible fixed assets		(336,473)	(1,063,322)
Capital funding received from DfE/ESFA and others		136,079	1,012,219
Net cash used in investing activities		(178,436)	(23,744)
Change in cash and cash equivalents in the year		(434,324)	(180,726)
Cash and cash equivalents brought forward		3,499,244	3,679,970
Cash and cash equivalents carried forward	21	3,064,920	3,499,244

The notes on pages 32 to 54 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Trustees scrutinise the budget six times per annum and continually review budget containment plans in respect of performance against the agreed plans. The Trustees also review five year plans at each meeting in order to provide comfort that the in year deficit is managed robustly and reduced and reserves remain healthy. The current five year plan indicates a healthy surplus at the end of 2023 and recognises that the budget plans are compiled using a reasonable approach but are not without some risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

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

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

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

1.4 EXPENDITURE

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

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

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% straight line
Fixtures, Furniture and Equipment-		20% straight line
Leasehold land	-	over length of lease

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.6 INVESTMENTS

Current asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date.

1.7 DEBTORS

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

1.8 CASH AT BANK AND IN HAND

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

1.9 LIABILITIES AND PROVISIONS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.11 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 Part 3 Chapter 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 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 with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

1.14 OPERATING LEASES

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

1.15 STOCKS

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

1.16 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 26.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.17 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	11,658	-	-	11,658	14,757
Government capital grants	-	-	40,792	40,792	349,914
	<u>11,658</u>	<u>-</u>	<u>40,792</u>	<u>52,450</u>	<u>364,671</u>
Total 2017	<u>1,844</u>	<u>12,913</u>	<u>349,914</u>	<u>364,671</u>	

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	82,844	-	82,844	96,556
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	96,556	-	96,556	
	<u> </u>	<u> </u>	<u> </u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	21,458	-	21,458	27,359
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	27,359	-	27,359	
	<u> </u>	<u> </u>	<u> </u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Funding for educational operations	842,490	11,098,426	11,940,916	12,539,230
Nursery	159,425	-	159,425	135,996
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,001,915	11,098,426	12,100,341	12,675,226
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2017	1,019,012	11,656,214	12,675,226	
	<u> </u>	<u> </u>	<u> </u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	10,547,440	10,547,440	11,066,057
Other DfE Group grants	-	413,021	413,021	443,152
	-	10,960,461	10,960,461	11,509,209
Other Government grants				
High Needs	-	103,732	103,732	80,952
Other government grants non capital	-	25,833	25,833	57,823
Income for hosting trainee teachers	-	8,400	8,400	8,230
	-	137,965	137,965	147,005
Other income from the academy trust's educational operations				
Sales to students	6,631	-	6,631	4,048
Internal catering income	466,042	-	466,042	489,791
Other	369,817	-	369,817	389,177
	842,490	-	842,490	883,016
	842,490	11,098,426	11,940,916	12,539,230
Total 2017	883,016	11,656,214	12,539,230	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational operations:					
Direct costs	8,210,730	502,795	1,314,797	10,028,322	10,497,079
Support costs	2,223,551	786,028	654,503	3,664,082	3,717,643
Nursery:					
Direct costs	131,442	-	17,575	149,017	129,903
Support costs	-	-	5,125	5,125	5,125
	10,565,723	1,288,823	1,992,000	13,846,546	14,349,750
Total 2017	10,789,762	1,406,890	2,153,098	14,349,750	

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. DIRECT COSTS

	Education £	Nursery £	Total 2018 £	Total 2017 £
Pension finance costs	168,000	-	168,000	165,000
Educational supplies	561,646	17,575	579,221	596,445
Examination fees	185,622	-	185,622	198,161
Staff development	19,564	-	19,564	23,060
Other costs	379,965	-	379,965	404,462
Supply teachers	62,881	-	62,881	27,888
Wages and salaries	6,110,153	109,490	6,219,643	6,503,039
National insurance	607,291	6,148	613,439	639,363
Pension cost	1,430,405	15,804	1,446,209	1,495,540
Depreciation	502,795	-	502,795	574,024
	<u>10,028,322</u>	<u>149,017</u>	<u>10,177,339</u>	<u>10,626,982</u>
Total 2017	<u>10,497,079</u>	<u>129,903</u>	<u>10,626,982</u>	

8. SUPPORT COSTS

	Education £	Nursery £	Total 2018 £	Total 2017 £
Recruitment and support	10,743	-	10,743	21,452
Maintenance of premises and equipment	70,025	-	70,025	105,406
Cleaning	265,402	-	265,402	254,595
Rent and rates	123,467	5,125	128,592	117,384
Energy costs	174,348	-	174,348	194,336
Insurance	47,702	-	47,702	48,829
Security and transport	59,508	-	59,508	83,732
Catering	268,504	-	268,504	337,481
Technology costs	58,562	-	58,562	82,041
Office overheads	143,965	-	143,965	132,620
Legal and professional	32,205	-	32,205	32,100
Bank interest and charges	1,469	-	1,469	1,225
Governance	31,845	-	31,845	26,490
Wages and salaries	1,801,228	-	1,801,228	1,782,199
National insurance	102,516	-	102,516	93,021
Pension cost	319,807	-	319,807	248,712
Depreciation	152,786	-	152,786	161,145
	<u>3,664,082</u>	<u>5,125</u>	<u>3,669,207</u>	<u>3,722,768</u>
Total 2017	<u>3,717,643</u>	<u>5,125</u>	<u>3,722,768</u>	

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9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	655,581	735,169
Auditors' remuneration - audit	8,250	8,250
Auditors' remuneration - other services	2,440	3,700
Operating lease rentals	168,731	160,626
	<u>168,731</u>	<u>160,626</u>

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10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	7,988,536	8,285,238
Social security costs	715,955	732,384
Pension costs	1,766,016	1,744,252
	<u>10,470,507</u>	<u>10,761,874</u>
Agency staff costs	62,881	27,888
Staff restructuring costs	32,335	-
	<u>10,565,723</u>	<u>10,789,762</u>

Staff restructuring costs comprise:

Redundancy payments	32,218	-
Severance payments	117	-
	<u>32,335</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

included in staff restructuring costs are non statutory severance payments totalling £117 paid to one individual in August 2018.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	145	157
Administration and support	163	164
Management	7	7
	<u>315</u>	<u>328</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	125	136
Administration and support	106	103
Management	7	7
	<u>238</u>	<u>246</u>

d. Higher paid staff

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	2	2
In the band £110,000 - £120,000	1	0
In the band £160,001 - £170,000	0	1

e. Key management personnel

The key management personnel of the Academy comprise the governors (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and pension contributions) received by key management personnel for their services to the Academy was £649,202 (2017: £679,190)

The staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £179 (2017: £224) were reimbursed to 2 Trustees (2017: 1).

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff under their contracts of employment, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, 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 Davis (principal): Remuneration £110,000 - £115,000 (2017: Not a governor), Employer's pension contribution £15,000 - 20,000 (2017: Not a governor); R Mitchell: Remuneration £30,000 - £35,000 (2017: £25,000 - £30,000), Employer's pension contributions £0 - £5,000 (2017: £0 - £5,000); A Gelling £40,000 - £45,000 (2017: £40,000 - £45,000) Employer's pension contribution £5,000 - £10,000 (2017: £5,000 - £10,000); M Skinner £40,000 - £45,000 (2017: £40,000 - £45,000) Employer's pension contribution £5,000 - £10,000 (2017: £5,000 - £10,000).

Other related party transactions are set out in note 25 to the financial statements.

12. TRUSTEES' AND OFFICERS' INSURANCE

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
COST					
At 1 September 2017	30,385,375	28,008	3,711,549	401,939	34,526,871
Additions	241,904	-	20,894	28,104	290,902
Disposals	-	-	(576,227)	(253,686)	(829,913)
At 31 August 2018	30,627,279	28,008	3,156,216	176,357	33,987,860
DEPRECIATION					
At 1 September 2017	3,342,338	7,002	3,650,187	340,350	7,339,877
Charge for the year	594,290	7,002	31,530	22,759	655,581
On disposals	-	-	(576,227)	(253,186)	(829,413)
At 31 August 2018	3,936,628	14,004	3,105,490	109,923	7,166,045
NET BOOK VALUE					
At 31 August 2018	26,690,651	14,004	50,726	66,434	26,821,815
At 31 August 2017	27,043,037	21,006	61,362	61,589	27,186,994

14. STOCKS

	2018 £	2017 £
Catering	6,940	7,020

15. DEBTORS

	2018 £	2017 £
Trade debtors	19,783	2,762
VAT repayable	91,968	96,615
Other debtors	2,219	17,914
Prepayments and accrued income	348,155	482,173
	462,125	599,464

16. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
Unlisted investments (liquid)	2,100,000	2,000,000

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FOR THE YEAR ENDED 31 AUGUST 2018

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	305,506	188,660
Other taxation and social security	182,488	191,643
Other creditors	194,432	196,462
Accruals and deferred income	107,175	204,305
	<u>789,601</u>	<u>781,070</u>
	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	84,449	16,397
Resources deferred during the year	60,749	84,449
Amounts released from previous years	(84,449)	(16,397)
Deferred income at 31 August 2018	<u>60,749</u>	<u>84,449</u>

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

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
Reserves	<u>1,679,549</u>	<u>1,117,875</u>	<u>(1,011,984)</u>	<u>-</u>	<u>-</u>	<u>1,785,440</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	1,373,664	10,487,466	(10,924,021)	(2,776)	-	934,333
Rates	-	59,974	(59,974)	-	-	-
Pupil Premium	-	398,257	(398,257)	-	-	-
SEN	-	103,732	(103,732)	-	-	-
Pupil Premium - Year 7 catch up	-	14,764	(14,764)	-	-	-
Graduate Teaching Programme	-	8,400	(8,400)	-	-	-
Stepping stones funding	-	25,833	(25,833)	-	-	-
Pension reserve	(6,492,000)	-	(644,000)	-	1,468,000	(5,668,000)
	<u>(5,118,336)</u>	<u>11,098,426</u>	<u>(12,178,981)</u>	<u>(2,776)</u>	<u>1,468,000</u>	<u>(4,733,667)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	22,890,478	-	(522,903)	-	-	22,367,575
Fixed assets purchased from GAG other restricted funds	172,128	-	(43,851)	2,776	-	131,053
DfE/ESFA Capital grants	3,283,790	40,792	(60,491)	-	-	3,264,091
Donation	18,000	-	(6,000)	-	-	12,000
Local Authority	986,043	-	(20,086)	-	-	965,957
Other capital grants	108,000	-	(2,250)	-	-	105,750
	<u>27,458,439</u>	<u>40,792</u>	<u>(655,581)</u>	<u>2,776</u>	<u>-</u>	<u>26,846,426</u>
Total restricted funds	<u>22,340,103</u>	<u>11,139,218</u>	<u>(12,834,562)</u>	<u>-</u>	<u>1,468,000</u>	<u>22,112,759</u>
Total of funds	<u>24,019,652</u>	<u>12,257,093</u>	<u>(13,846,546)</u>	<u>-</u>	<u>1,468,000</u>	<u>23,898,199</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 ESFA during the period in order to fund the continuing activities of the school.

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

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

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

Stepping stones funding - Local Area Partnership funding from Devon County Council used to fund onsite REACH centre.

Other DfE/ESFA grants relates to other funding from the DfE/EFA from prior periods which has been fully spent in the year.

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

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

RESTRICTED FIXED ASSET FUNDS

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

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

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

EXMOUTH COMMUNITY COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

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

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

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

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 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
GENERAL FUNDS						
Reserves	1,527,054	1,144,771	(992,276)	-	-	1,679,549
RESTRICTED FUNDS						
General Annual Grant (GAG)	1,777,236	11,014,032	(11,308,041)	(109,563)	-	1,373,664
Rates	1,169	52,025	(53,194)	-	-	-
Pupil Premium	-	428,614	(428,614)	-	-	-
SEN	-	80,952	(80,952)	-	-	-
Pupil Premium - Year 7 catch up	-	14,538	(14,538)	-	-	-
Stepping stones funding	-	57,823	(57,823)	-	-	-
Donations	-	12,913	(12,913)	-	-	-
Graduate Teaching Programme	-	8,230	(8,230)	-	-	-
Pension reserve	(7,532,000)	-	(658,000)	-	1,698,000	(6,492,000)
	<u>(5,753,595)</u>	<u>11,669,127</u>	<u>(12,622,305)</u>	<u>(109,563)</u>	<u>1,698,000</u>	<u>(5,118,336)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	23,413,381	-	(522,903)	-	-	22,890,478
Fixed assets purchased from GAG other restricted funds	96,221	-	(33,656)	109,563	-	172,128
DfE/ESFA Capital grants	3,229,279	207,631	(153,120)	-	-	3,283,790
Donation	24,000	-	(6,000)	-	-	18,000
Local Authority	861,000	142,283	(17,240)	-	-	986,043
Other capital grants	110,250	-	(2,250)	-	-	108,000
	<u>27,734,131</u>	<u>349,914</u>	<u>(735,169)</u>	<u>109,563</u>	<u>-</u>	<u>27,458,439</u>
Total restricted funds	<u>21,980,536</u>	<u>12,019,041</u>	<u>(13,357,474)</u>	<u>-</u>	<u>1,698,000</u>	<u>22,340,103</u>
Total of funds	<u>23,507,590</u>	<u>13,163,812</u>	<u>(14,349,750)</u>	<u>-</u>	<u>1,698,000</u>	<u>24,019,652</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	27,186,994	27,186,994
Current assets	1,679,549	2,154,734	271,445	4,105,728
Creditors due within one year	-	(781,070)	-	(781,070)
Provisions for liabilities and charges	-	(6,492,000)	-	(6,492,000)
	<u>1,679,549</u>	<u>(5,118,336)</u>	<u>27,458,439</u>	<u>24,019,652</u>

EXMOUTH COMMUNITY COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,589,453)	(1,185,938)
Adjustment for:		
Depreciation charges	655,581	735,169
Interest received	(21,458)	(27,359)
Decrease in stocks	80	47
Decrease in debtors	42,052	38,755
Increase/(decrease) in creditors	54,102	(25,742)
Capital grants from DfE and other capital income	(40,792)	(349,914)
Defined benefit pension scheme cost less contributions payable	476,000	493,000
Defined benefit pension scheme finance cost	168,000	165,000
Net cash used in operating activities	(255,888)	(156,982)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	964,920	1,499,244
Notice deposits (less than 3 months)	2,100,000	2,000,000
	3,064,920	3,499,244

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	-	141,059

23. 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 multi-employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- 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%.

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

The employer's pension costs paid to TPS in the period amounted to £887,725 (2017: £895,841).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. 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 2018 was £537,000 (2017: £544,000), of which employer's contributions totalled £409,000 (2017: £412,000) and employees' contributions totalled £128,000 (2017: £132,000). The agreed contribution rates for future years are 15.4% for employers and 5.5 - 8.5% 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.
Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	23.5	23.4
Females	25.6	25.5
Retiring in 20 years		
Males	25.8	25.7
Females	28.0	27.9

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	260,000	261,000
Discount rate -0.1%	(266,000)	(267,000)
Mortality assumption - 1 year increase	(397,000)	(397,000)
Mortality assumption - 1 year decrease	384,000	384,000
CPI rate +0.1%	(237,000)	(223,000)
CPI rate -0.1%	231,000	218,000

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities and gilts	3,927,000	3,366,000
Debt instruments	121,000	134,000
Property	559,000	472,000
Cash	95,000	127,000
Target return portfolio	882,000	803,000
Infrastructure and alternative assets	538,000	502,000
Private equity	63,000	-
Total market value of assets	<u>6,185,000</u>	<u>5,404,000</u>

The actual return on scheme assets was £353,000 (2017: £603,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(885,000)	(905,000)
Interest income	142,000	107,000
Interest cost	(310,000)	(272,000)
Total	<u>(1,053,000)</u>	<u>(1,070,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	11,896,000	12,360,000
Current service cost	885,000	905,000
Interest cost	310,000	272,000
Employee contributions	128,000	132,000
Actuarial gains	(1,261,000)	(1,640,000)
Benefits paid	(105,000)	(133,000)
Closing defined benefit obligation	<u>11,853,000</u>	<u>11,896,000</u>

EXMOUTH COMMUNITY COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	5,404,000	4,828,000
Interest income	146,000	111,000
Actuarial losses	207,000	58,000
Employer contributions	409,000	412,000
Employee contributions	128,000	132,000
Benefits paid	(105,000)	(133,000)
Administration expenses	(4,000)	(4,000)
	<u>6,185,000</u>	<u>5,404,000</u>
Closing fair value of scheme assets		

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable non land and buildings operating leases was:

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	104,837	197,459
Between 1 and 5 years	119,834	104,986
Total	<u>224,671</u>	<u>302,445</u>

25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

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.

Remuneration received by Trustees is disclosed in note 11.

26. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £45,858 and distributed £42,503 from the fund. An amount of £25,726 is included in other creditors relating to undistributed funds that is repayable to ESFA.

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

27. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	3,169,891	3,703,865
Financial liabilities measured at amortised cost	391,251	347,400

Financial assets measured at amortised cost comprise trade debtors and accrued income within one year, cash and unlisted investments.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals due within one year.

28. MEMBERS' LIABILITY

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

29. GENERAL INFORMATION

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