

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

CONTENTS

| | Page |
|---|----------------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 |
| Governance statement | 19 - 26 |
| Statement on regularity, propriety and compliance | 27 |
| Statement of Trustees' responsibilities | 28 |
| Independent auditors' report on the financial statements | 29 - 31 |
| Independent reporting accountant's report on regularity | 32 - 33 |
| Statement of financial activities incorporating income and expenditure account | 34 |
| Balance sheet | 35 - 36 |
| Statement of cash flows | 37 |
| Notes to the financial statements | 38 - 63 |

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|-----------------|---|
| Members* | Margaret Turgoose Linda Brown Alison Maddaford Barbara Mason Robert Worrell |
| Trustees | Leah Allen (appointed 27 January 2020) ^{1,3,6} Lesley Miszewska, Vice Chair ^{1,2,3,4,5,6} Andrew Gelling ^{1,2,3} Jill Elson ^{3,5,6} Andrew Davis, Principal ^{1,2,3,5,6} Robert Mitchell ^{1,3,6} Anna Streather ^{1,4,5} Kim Johnson ^{1,2,5} Elizabeth Lee ^{2,3,6} Emily McGrath ^{1,3,4} Margaret Turgoose, Chair ^{1,2,3} Ian Macqueen (resigned 21 September 2020) ^{1,3,4} Philip Wales ^{1,2} Vicky Raven (resigned 8 September 2020) ^{2,3} Elizabeth Dymond ^{1,2} Gary Bowen (appointed 26 September 2019) ² Clare Tate ^{3,5} Anna Stimson ² |

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

| | |
|--|--|
| Company registered number | 07554085 |
| Company name | Exmouth Community College |
| Principal and Registered office | Gipsy Lane Exmouth Devon EX8 3AF |
| Company secretary | Kim Dearsly (resigned 30 June 2020) Matthew Burrell (appointed 1 July 2020) |
| Accounting Officer | Andrew Davis |

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Senior leadership team

Mr A Davis, Principal
Mr G Allen, Deputy Principal
Mr D Turner, Deputy Principal
Mrs K Dearsly (resigned 30 June 2020), Director of Finance and Resources
Mr M Burrell (appointed 1 June 2020), Director of Finance and Resources
Ms K Craddock, Assistant Principal
Mr D Holt, Assistant Principal
Mrs L Malton, Assistant Principal
Miss H Miles, Assistant Principal
Mr N Smith, Assistant Principal
Mr S Tanner (resigned 31 August 2020), Assistant Principal
Miss L Bowles (resigned 31 August 2020), Assistant Principal

Independent auditors

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

Bankers

Lloyds Bank PLC
22 The Strand
Exmouth
Devon
EX8 1AG

Solicitors

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

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2020. 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 serving a catchment area in Exmouth. It has a pupil capacity of 2418 and had a roll of 2248 based on the school census return October 2019.

Structure, Governance and management

Constitution

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

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

Details of the Trustees who served throughout the year, and to the date the accounts are approved, are included in the Reference and Administration Details on pages 1 and 2.

Members' Liability

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

Trustees' Indemnities

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

Method of recruitment and appointment or election of Trustees

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

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

When appointing new Trustees, the Board gives consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience, but will always include a tour of the Academy and a chance to meet staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need in order to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction can be tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies. Each new trustee is assigned a mentor.

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

Organisational Structure

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

The committees are as follows;

- 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.
- 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.
- 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.
- 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.
- Audit Committee – meets three times a year to provide the Board of Trustees with the necessary assurances and quality control.
- Admissions Committee which meets twice a year to deal with all matters relating to admissions.
- 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 2020**

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

The Principal is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The pay and conditions of service for the Principal, the SLT and the Director of Finance and Resources 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 Authorities for teachers and support staff who form the management team.

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

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

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

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

The pay of key management personnel is reviewed annually and normally increased in accordance with national pay increases.

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

Trade union facility time

Relevant union officials

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 3 | 2 WTE |

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

| | |
|---|---------------------|
| Provide the total cost of facility time | 0 in 2019/20 |
| Provide the total pay bill | 0 in 2019/20 |
| Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100 | 0 in 2019/20 |

Paid trade union activities

| | |
|--|---------------------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100 | 0 in 2019/20 |
|--|---------------------|

Related Parties and other Connected Charities and Organisations

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

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

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

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

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

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

During the Covid-19 pandemic we worked closely with all our suppliers to ensure continuity of service, where appropriate. We also ensured adherence with the Procurement Policy Note (PPN) 02/20.

Vision and Values

Our vision is to create a College for the whole of our community that emphasises the importance of progress and innovation alongside more traditional values such as integrity, honesty and respect. For everyone we will

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

provide the skills, knowledge and awareness to enable all to play an active and positive role in their families, workplace and global community. We will do this through world-class teaching delivered by reflective and skilled practitioners, a broad and differentiated curriculum model and opportunities beyond the classroom.

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

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

The aims of the Academy during the year ended 31 August 2020 are summarised below:

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

At Exmouth Community College, we aim to achieve the best for, and from, each student. We intend to enable each student to realise his or her full academic, creative and physical potential and to develop positive social and moral values. We wish our Academy to be a happy, high achieving and caring community and one in which young adults, staff, parents and carers feel proud to be a part.

Objectives, Strategies and Activities

Key activities and targets were identified in the Academy Improvement Plan 19/20 (AIP) through the self-evaluation that was undertaken at a senior level following the publication of results in 2019/20 and links to action points detailed in the January 2020 OFSTED report.

Clearly, the post-Covid environment that we have been operating within since March 2020 has greatly affected the delivery of the priorities outlined below.

The Academy Improvement Plan 19/20 and self-evaluation form were shared with, and agreed by, the Governing Board in Autumn 2019.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Key Performance Target 1: Improving the progress of students at Key Stage 4, particularly boys. Further improving the progress at Post-16 overall where this is relevant.

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

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

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

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

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

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

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

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

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

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

Public Benefit

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

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

STRATEGIC OVERVIEW

Academic performance

Due to Covid in 2020 the College was asked by the Department for Education and OfQUAL to calculate Centre Assessed Grades (CAGs) for students in Year 11, 12 and 13 who could not take their external examinations due to being in lockdown. The guidance issued by OfQUAL stated that the College should award grades that were judged to be the most likely grades that students could achieve. The grades calculated by subject teachers were to be awarded on a wide range of evidence, including, but not exclusive to, mock exam results, other class assessments and non-examined assessments (coursework). These

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

grades were then signed off by a second member of staff within the subject. They were then moderated against national data and historic performances by the Principal, as Head of Centre to ensure that the grade setting process was consistent, reliable and robust.

Due to problems with the Department for Education's national algorithm, at the last moment the external examination grades for all students were awarded their CAGs rather than calculated grades (with the higher of the two grades being counted).

This should be borne in mind when comparing outcomes to previous years, other schools or national data for this year.

It should be noted that CAGs gave a positive picture overall for our results leading to most students obtaining their chosen university place, apprenticeship placement, employment or their choice of course in Post-16 or College.

GCSE outcomes

Progress 8 score +0.34

Attainment 8 score 52.31

% of students achieving 4+ in both English and Mathematics 85%

% of students achieving 5+ in both English and Mathematics 66%

% of students achieving Grade 9-5 (inc. Eng and Maths) 59.38%

There remains a gap between boys and girls in their performance rates with boys scoring 0.02 (at national expectation for all students and above boys nationally) Progress 8 score (ie at national expectation) while girls scored +0.67.

A gap still remained, although has closed, for disadvantaged students with students in receipt of Pupil Premium scoring +0.06 slightly above the national expectation and well above the progress seen normally nationally for disadvantaged students.

For students with Special Educational Needs their progress rate improved though remained below the expectation for all (including non-SEND students) students nationally.

Our challenge now is to build on these results in the future while recognising that there is likely to be continuing disruption to the education of our students and the 2021 summer exam series.

Post-16 outcomes

At A level our value added score was +0.46 (almost half a grade per subject per student above national expectation)

22.22% of students achieved 3 or more grades at A*-B and 25% of entries achieved an A* or A grade.

81 students were placed into Universities with 30% of students moving into Russell Group universities which is above the national average.

Recruitment into Post-16 remained strong with approximately half of our Year 11 students moving into Post-16 education with us.

This year saw attendance of all students across the College improve considerably. Prior to lockdown the attendance rate was 94.6% and the best ever reported at the College was 94.4% with 2018/19 at 93%. Appointing our own Education Welfare Officer, carrying out an external review of practice, implementing follow up actions and other key investments secured good improvement in this area.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Following a review of behaviour in 2019 the College introduced a new “Ready to Learn” system in September 2019. This was initially deemed successfully, however, the full evaluation of this new process was interrupted by lockdown and so further evaluation will need to take place during the academic year 2020/21.

Financial performance

Financial control continued to be strong. Prior to the outbreak of Covid 19, the College was forecasting a reduction to the original budget deficit which was set for 2019/20. The financial implications associated with Covid 19 have been significant as the College is reliant on non GAG income to ensure the funding of activities associated with the delivery of the following in-house services:- Catering, Nursery and Peripatetic music services. In order to mitigate the financial loss, staff were furloughed and claims made for exceptional costs to the Department for Education, the outcome of these claims are not known at the time of writing this report.

Moving forward and in light of the increases to Education funding the College is now in a good financial position with increased numbers of students in Year 7.

The College submitted all Academy funding returns in line with key dates outlined in the Academy planning calendar produced by the Education & Skills Funding Agency.

Campus development

In terms of campus development, the Academy continues to work in partnership with the Education and Skills Funding Agency in order to deliver the successful Priority Schools Building Programme Two project estimated at £13 million. Work on this project was planned to commence on site in 2020 but due to the unintended consequences of Covid 19 this has been delayed until spring 2021. Phase 2 of the Maths block with a value estimated at £3.2 million to provide a further eight maths classrooms has been agreed by Devon County Council and it is anticipated that this work will commence on site in December 2020. A funding agreement between the College and Devon County Council has been arranged in order to release design fees associated with this project. We are delighted to be awarded CIF funding in the summer of 2020 to upgrade heating systems across the College to the sum of £303,408. The CIF grant application for the replacement of various roofs on the Green Close site was not successful, but this will be appealed by the College as it was a very robust application. Work on the Design Technology department replacement roof was completed in June 2020 at a cost of £114,000. This project was funded from reserves due to the risk associated with delaying this work.

In addition to all of the above, during the early part of 2020, the College commissioned a condition survey of the campus as the last survey was undertaken in 2007. The report highlights a business critical maintenance backlog of £1.3 million. Consequently a 5 year campus development plan currently being written for consideration by the Governing Board.

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

The Premises department has worked diligently to ensure the site was safe and aligned to the numerous risk assessments and government guidance associated with opening a school during a pandemic; for example, the procurement of additional sanitising, additional signage, review of fire escapes and muster points. In addition, the College worked with our contractors to ensure compliance to PPN 02/20 procurement guidance issued by the government on 19th March, 2020. Whilst some claims have been made to the Department for Education to re-imburse some costs associated with ensuring the site is Covid secure, there has been a significant spend to be ready for September 2020 which will continue until at least Christmas.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Staff development

Continuing professional development for all staff has been very successful:

- All new and 98% of current staff attended Safeguarding training either during the first two non contact days in September or on subsequent staff training days
- Teaching staff have received training on the curriculum and new specification GCSEs and A Levels within their subject areas
- Rolling programme of Emergency First Aid at Work training continues, with (13) members of staff undertaking a one day course
- Safer Recruitment Refresher and Child Protection Refresher training has been undertaken by members of the Senior Leadership Team (SLT) and Governors as required
- Diverse range of training courses attended by staff including; Emotional wellbeing of UASC, New to role – SENDco, PASMA training, Prince 2 training, Bereavement & Loss Counselling, Working at the Sharp End (Customer service), ICT in Schools, Police Careers & Volunteering awareness, Bibliotherapy for Wellbeing, Planning for Progress, Behaviour Management Strategies, Child Resilience, Suicide Prevention, PIPS training, The Power of Marking and Feedback, Attached Based Mentoring, Strategies for Distance Learning, Feedback and Assessment in a Virtual World, Preventing the Gap from Widening, Using Webinars for Distance Learning, Metacognition and Home Learning, Building an Anti-Racist Culture in Devon Schools
- The Premises Team continue to update their Health & Safety training requirements, including Asbestos Awareness and Legionella Awareness
- The Catering Team continue to update their Food & Hygiene training requirements
- Rolling programme of Manual Handling training continuing, with (55) members of staff undertaking an online training course, resulting in a total of sixty-nine members of staff with up to date training
- Three members of teaching staff have continued their NPQSL leadership training
- The Technology Department are keeping relevant training up to date on various pieces of machinery
- Information shared with all staff to include the PREVENT Duty Presentation, Epipen Training Video and Lifesaver App, Emergency Evacuation Induction/Refresher, Asbestos Induction, Working at Height
- Two members of staff and one casual member of staff refreshed their minibus driving certification
- Three members of the Pastoral team have completed Youth Mental Health First Aid training
- One member of the HR team has commenced their CIPD Level 5 Diploma in HR Management
- Twenty-Eight HODS, SLT and Support Staff Team Leaders completed Mindful Manager training
- All staff had access to the following online wellbeing courses: Healthy Living, Life Balance, Mindset, Attitude, Stress Awareness, Resilience, Relaxation, Prioritisation, Mindfulness, Yoga

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In period under review, £477,617 was carried forward representing 4.3% of GAG.

The following KPI's were reported to the Trustees when the budget was prepared for 2019/2020

| Key Performance indicators | Set as per agreed budget | Achieved |
|--|--------------------------|----------|
| Pupil teacher ratio | 17.44 | 16.06 |
| Percentage of staffing costs to GAG income | 96% | 94% |
| Percentage of Staffing costs to total income | 85% | 84% |
| Percentage of salary costs as a % of total costs | 80% | 79% |
| In year deficit budget set | 268,394 | 183,808 |

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

Going Concern

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

Promoting the success of the company (s172 statement)

The Board of Trustees act in good faith to continually balance promoting the success of the company (being the Academy Trust) to achieve its charitable and educational purposes against many other factors, including ensuring that:

- We seek to foster strong and mutually beneficial relationships with all of our stakeholders and in all matters to comply with the vision and values that we hold;
- Trust activity is conducted morally and ethically, in line with the Trusts' vision and values;
- The best possible education is provided for each child;
- Short-term gains do not have an adverse consequence on long-term strategy, success and achievements;
- Employee welfare, training and interests are taken care of with support for professional development and mental health; and
- Any community and environmental impacts as a result of the Trust's operations are considered.

Specific measures implemented by the Academy Trust during the financial year reflecting these matters are noted, where applicable, in other sections of this report.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 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 2020, excluding restricted fixed asset and pension reserves, the Academy received total income of £12,450,188 and incurred total expenditure of £12,574,655. The excess of expenditure over income for the year, after transfer to restricted fixed asset funds of £59,887 was £184,354.

At 31 August 2020 the net book value of fixed assets was £25,596,856 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2013 at £25,504,993. 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 26 to the financial statements.

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

- Write off / Asset Disposal Policy
- Procedure for Ebay
- Procurement and Tendering Policy
- Dinner Money Arrears
- Investments Policy
- Declaration of Business Interest Policy
- Business Continuity Plan
- Trustees Allowances & Expenses
- Charges & Remissions Policy
- Pupil Premium Policy

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees have determined that the appropriate level of free reserves should be approximately £1,000,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. In addition, the College has two major capital building projects taking place over the next few years, which will require additional expenditure. Total reserves of the academy amount to £19,118,946, although £16,664,981 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £2,453,965 (representing £1,976,348 unrestricted funds and £477,617 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 2.3 months of normal recurring expenditure.

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

Investment Policy

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

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

Principal risks and uncertainties

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

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

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 96% 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.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

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

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

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial position, formally, six times a year, although management accounts are produced monthly. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resources Committee meetings. The Trustees also regularly review cash flow forecasts, investments, balance sheet and ensure sufficient funds are held to cover all known and anticipated commitments. At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Fundraising

Where possible the Academy looks to generate additional funds and this is undertaken internally by staff using the local authority Devon funding news to review what sources of funding are available to Schools and Colleges. In addition, we are working with Future First to establish an alumni database which will primarily be used for careers work but may also be a source of voluntary contributions in the future. The College has been successful with sourcing additional funding of £303,000 in 2019/20 from the Condition improvement fund.

Streamlined Energy and Carbon reporting

| UK Greenhouse gas emissions and energy use data for the year 1 September 2019 to 31 August 2020 | |
|--|-----------|
| Energy consumption used to calculate emissions (kWh) | 2,085,042 |
| Energy consumption break down (kWh) (optional) | |
| • gas, | 1,359,361 |
| • electricity, | 713,889 |
| • transport fuel | 11,792 |

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

| | |
|--|--------|
| <u>Scope 1 emissions in metric tonnes CO2e</u> | |
| Gas consumption | 249.94 |
| Owned transport – mini-buses | 1.80 |
| <u>Total scope 1</u> | 251.75 |
| <u>Scope 2 emissions in metric tonnes CO2e</u> | |
| Purchased electricity | 166.43 |
| <u>Scope 3 emissions in metric tonnes CO2e</u> | |
| Business travel in employee owned vehicles | 0.86 |
| Total gross emissions in metric tonnes CO2e | 418.27 |
| <u>Intensity ratio</u> | 0.18 |
| Tonnes CO2e per pupil | |

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

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

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology for staff Internal and external meetings in order to reduce travelling between sites.

Plans for future periods

Our Academy Improvement Plan 2020/21 will address the following areas with six key strategic priorities (KSPs),

KSP1: Exceptional teaching, learning and educational outcomes from exceptionally well trained and motivated staff particularly building on the expertise developed around remote learning which may be required again in the future (improved range of outcomes including metrics around academic performance, behaviour and attendance for all students, in particular for disadvantaged and SEND students, improved teaching as measured by more consistent and robust monitoring and improved student numbers)

KSP2: An inspirational curriculum, particularly around the recovery curriculum and curriculum contingencies in case a return to remote learning is required, which challenges and inspires students as well as ensuring high expectations and future competitiveness for students (Curriculum plans, student voice and improvement across a range of outcomes)

KSP3: Using the new structure within the Senior Team developing a consistent approach to Teaching, Learning and curriculum design across all three key stages which actively uses key assessments to evaluate curriculum implementation and impact (improved engagement and outcomes, attendance and behaviour)

KSP4: An engaged community of learners including parents and carers which builds on the communications channels developed during lockdown either through video, social media or increased frequency of appropriate

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

written communication (Parent voice, material published on the website and various other internet based communication channels established)

KSP5: Changing the culture of the College to further develop more reflective practice and improved communication at all levels within our organisation (membership of Teaching School Alliances and other networks and incremental coaching leading to improved outcomes for students)

KSP6: Continuing campus development in particular PSPB2 which commences on site Easter 2021, Mathematics Block (Phase 2) which commences January 2021 while also bearing in mind the financial demands of remaining Covid secure (including the sale of "The Cottage" which we now have permission for from the ESFA and the completion of a major CIF project which we won funding for during the year to renew heating systems (redevelopment of Maths and Green Close initiated)

The College recognises that the immediate operational priority in September 2020 is to ensure that students, staff and our kept safe from Covid.

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.

ADDITIONAL COMPANIES ACT REQUIREMENTS

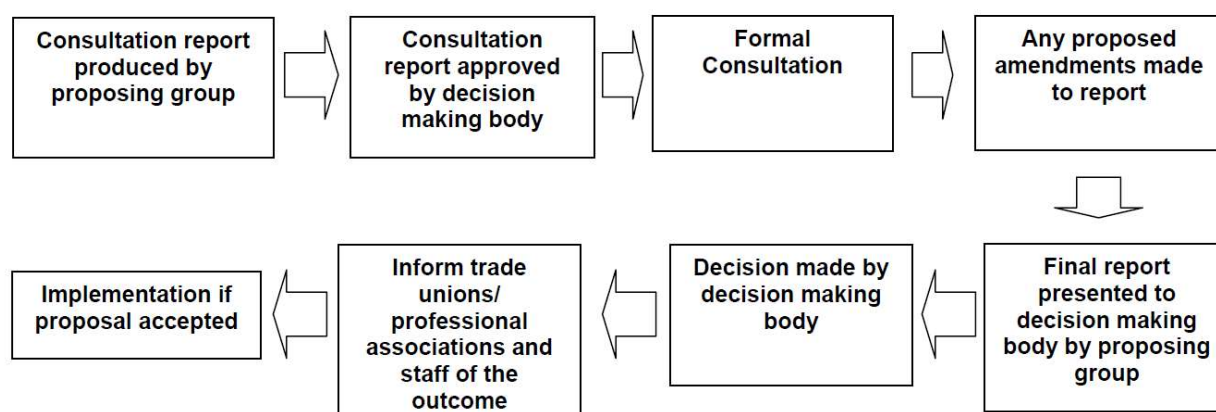
Applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons

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 such as the Recruitment and Selection and Equal Opportunities 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.

Employee Consultation

The College has a Consultation Policy which was ratified by Governors in March 2018 and details the process which is followed when consulting with employees. An overview of the process is show in the diagram below.



TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The College defines consultation as “the exchange of views and establishment of dialogue” and will take place on any proposed changes that could affect staff pay and conditions. The key stakeholders that should be consulted in all aspects of a particular change may include staff, governors, staff representatives, trades unions and staff associations. Consultation will be meaningful and genuine. However, consultation does not mean that agreement will be reached but that full and proper consideration will be given to any responses made either during consultation meetings or provided in writing during the consultation period.

In addition to our Consultation Policy, the College introduced a Staff Liaison Group in October 2020 to further consultation with employees. These meetings are attended by a mix staff from Senior Leadership Team members, Teaching and Support Staff as well as union colleagues.

AUDITOR

In so far as the Trustees are aware:

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

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

Trustees’ report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 8 December 2020 and signed on their behalf, by:

Margaret Turgoose
Chair of Trustees

Andrew Davis
Principal

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 STATEMENT (CONTINUED)

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 11 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 |
|------------------------------|-------------------|-------------------|
| Margaret Turgoose, Chair | 11 | 11 |
| Lesley Miszewska, Vice Chair | 9 | 11 |
| Andrew Davis, Principal | 8 | 11 |
| Andrew Gelling | 9 | 11 |
| Robert Mitchell | 8 | 11 |
| Clare Tate | 7 | 11 |
| Emily McGrath | 9 | 11 |
| Vicky Raven | 10 | 11 |
| Anna Streather | 4 | 11 |
| Elizabeth Dymond | 6 | 11 |
| Kim Johnson | 10 | 11 |
| Elizabeth Lee | 11 | 11 |
| Jill Elson | 9 | 11 |
| Ian Macqueen | 5 | 11 |
| Anna Stimson | 7 | 11 |
| Philip Wales | 5 | 11 |
| Gary Bowen | 6 | 10 |
| Leah Allen | 5 | 7 |

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

1. Three internal audit visits were undertaken by the Internal Auditor. In February 2020 the following areas were covered; Governance, regularity and risk management; Compliance with the Academies Financial Handbook; Review of leases; Trustee interests and related parties; Gifts, hospitality and awards; Governance details provided on school website; Risk register and Trustee approval and there were no issues to note.
2. In order to ensure that we have an effective Governing Board, we review the skills of the Governing Board on an annual basis, based on the skills audit (recommended by the National Association of Governors). This informs plans for training to be undertaken by individuals. It also inputs to discussions about where there might be skills gaps and therefore how, when looking for new Governors, we might attempt to fill these. Two new Governors joined us this year, one parent and one staff who have brought additional skills to the Board. We are currently running with two vacancies to see if it is possible to operate with a smaller Governing Board.
3. Each summer term the Chair of Governors meets with each governor to review governance from the previous year and considers any feedback and / or suggestions for the following year. In addition this year, in January 2020, we commissioned Babcock to carry out a Governance Review. Out of 65 areas ECC was judged as 58 being green, which is no action or minimal change required and 7 areas as amber which is "Less urgent action required/ Action underway but not embedded" and there were no red which is action required immediately. The report was discussed by governors and members and a plan put in place to address the areas rated as amber.
4. At the end of summer term the Chair undertook a 360 degree feedback process with all the governors, the Principal and the two Deputy Principals. She reviewed the feedback with the Chair of the HR committee. Overall the feedback was extremely positive and, in addition, she is putting some actions in place for next year in response to the comments made.
5. Inevitably the focus of the Board since February has been to support the Principal and his senior leadership team in dealing with the implications created by the pandemic. Although the Board continued to meet remotely, the focus in meetings from March onwards has been to consider, *inter alia*, plans for opening for keyworkers and

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

vulnerable groups (and subsequently Years 10 and 12), the wider support being provided to our most vulnerable students, ensuring staff are supported, the provision of on-line learning and the determination of exam grades. Throughout, the Board continued to monitor the budget closely and to track the impact of the pandemic to try to ensure that we were still in a robust financial position at the year end.

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

In the first half of the academic year the key actions taken by the Board were to:

- i. Monitor and evaluate the containment plan put in place to protect the financial position of the College.
- ii. Succession plan for changes to membership of the Board and the Senior Leadership Team.
- iii. Support the work to bid for grants to replace outdated buildings and plan to increase capacity for when student numbers increase (2019 onwards).
- iv. Review the progress being made to embed the College's Vision and Values which were established in the previous year, in particular the focus on Curriculum outlined by Ofsted in the changes to the Ofsted framework 2019.
- v. Relentlessly monitor the impact of plans through Governors' Days, Exam Review Days, Board meetings, question and answer sessions and monitoring and intervention meetings.
- vi. Take a strategic overview of the plans put in place to respond to the Ofsted inspection from February 2020.

Where appropriate, the Board continued to keep these areas on the agenda during the latter part of the year.

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

The quality of information provided by the College is of a high standard and provides Trustees with clear and concise information that enables them to challenge and support the College. Trustees views on the quality of information provided is constantly sought and where appropriate changes are made. A review of the Management Account format was undertaken in September 2020, when the new Director of Finance and Resources was appointed, and the format has been updated as a result. The new format provides both a summary and detailed level along with visual charts via a new Data Dashboard.

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 usually 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 Internal Auditor and drafting the annual budget including setting staffing levels. Due to Covid 19, from March 2020 the Governing Board held Full Governing Board Meetings, remotely, once a month which incorporated the work of the committees including the monitoring of budgets etc as normally undertaken by the Resources committee.

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Prior to this, 3 Resources meetings had been held.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------|-------------------|-------------------|
| Jill Elson | 3 | 3 |
| Andrew Davis | 2 | 3 |
| Emily McGrath | 3 | 3 |
| Elizabeth Lee | 3 | 3 |
| Andrew Gelling | 2 | 3 |
| Ian MacQueen | 1 | 3 |
| Lesley Miszewska | 3 | 3 |
| Robert Mitchell | 3 | 3 |
| Vicky Raven | 2 | 3 |
| Margaret Turgoose | 3 | 3 |
| Clare Tate | 2 | 3 |
| Leah Allen | 1 | 1 |

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to meet three times a year to provide the Board of Trustees with the necessary assurance and quality control. It is the audit committee's responsibility to ensure that high risk areas are being tested and reviewed by the internal auditors where possible. The Audit Committee has agreed that what the internal auditor tests currently is appropriate.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|------------------|-------------------|-------------------|
| Ian MacQueen | 1 | 3 |
| Kim Johnson | 3 | 3 |
| Jill Elson | 2 | 3 |
| Lesley Miszewska | 3 | 3 |
| Anna Streater | 1 | 3 |
| Clare Tate | 0 | 3 |

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Exmouth Community College for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2019 to 31 August 2020 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 of monthly management accounts which are scrutinised by the Accounting Officer; Chair of Trustees and Chair of Resources.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

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

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

Visit 1 –Work completed 04 December 2019

- Purchases and cash payments
- Walkthrough of purchase systems
- Controls testing on a sample of purchases
- Tender process review
- Review of bank reconciliations
- Staff permissions and segregation of duties
- Staff expense claims
- Financial budgeting and monitoring
- Trustee approval of school budget
- Financial information provided to Trustees
- Evidence of financial challenge by Trustees
- Timely submission of ESFA returns
- Finance Committee meeting frequency and appropriate review
- Management accounts frequency and quality

Recommendations

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

Visit 2 - Work completed 12 February 2020

- Income and cash receipts
- Processes and controls around main ESFA grant income and pupil premium
- Process and controls for invoiced income
- Process and controls for non-invoiced income
- Bad debt recovery procedures Governance, regularity and risk management

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

Recommendations

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

Visit 3 - Work completed June 2020

Fixed assets

- Process and procedures around the acquisition and disposal of fixed assets
- Maintenance of a fixed asset register
- Authorisation of fixed asset additions

Business continuity plan

- Review and evaluation of the continuity plan

Covid-19 impact

- Functions operating and impact on finance team
- Board meetings and management accounts preparation
- Staff cost savings and availability of additional income
- Authorisation of purchases
- Provision of free school meals during closure
- Risk recognition
- Trip cancellations

Recommendations

From our testing of the fixed assets, Business Continuity Plan and Covid-19 impact, we have not identified any recommendations. This is testament to the thorough work undertaken by the Director of Finance and Resources and their team.

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

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 8 December 2020 and signed on their behalf by:

Margaret Turgoose
Chair of Trustees

Andrew Davis
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Exmouth Community College have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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: 8 December 2020

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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: 8 December 2020

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

Opinion

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Tim Borton FCA DChA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

25 January 2021

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

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

In accordance with the terms of our engagement letter dated 30 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Exmouth Community College's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA (Reporting Accountant)

Bishop Fleming LLP

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

Date: 25 January 2021

EXMOUTH COMMUNITY COLLEGE
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | 1,256 | - | 338,835 | 340,091 | 199,514 |
| Charitable activities | 4 | 587,344 | 11,781,977 | - | 12,369,321 | 12,043,605 |
| Other trading activities | | 58,641 | - | - | 58,641 | 82,225 |
| Investments | 7 | 20,970 | - | - | 20,970 | 19,620 |
| Total income | | 668,211 | 11,781,977 | 338,835 | 12,789,023 | 12,344,964 |
| Expenditure on: | | | | | | |
| Charitable activities | | 570,812 | 12,631,843 | 692,841 | 13,895,496 | 13,563,744 |
| Total expenditure | | 570,812 | 12,631,843 | 692,841 | 13,895,496 | 13,563,744 |
| Net income/ (expenditure) | | 97,399 | (849,866) | (354,006) | (1,106,473) | (1,218,780) |
| Transfers between funds | 19 | - | (59,887) | 59,887 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 97,399 | (909,753) | (294,119) | (1,106,473) | (1,218,780) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 26 | - | (1,281,000) | - | (1,281,000) | (1,173,000) |
| Net movement in funds | | 97,399 | (2,190,753) | (294,119) | (2,387,473) | (2,391,780) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 1,878,949 | (6,717,630) | 26,345,100 | 21,506,419 | 23,898,199 |
| Net movement in funds | | 97,399 | (2,190,753) | (294,119) | (2,387,473) | (2,391,780) |
| Total funds carried forward | | 1,976,348 | (8,908,383) | 26,050,981 | 19,118,946 | 21,506,419 |

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

The notes on pages 38 to 63 form part of these financial statements.

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

**BALANCE SHEET
AS AT 31 AUGUST 2020**

| | Note | 2020 £ | 2019 £ |
|--|-------------|--------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 25,596,856 | 26,186,021 |
| | | 25,596,856 | 26,186,021 |
| Current assets | | | |
| Stocks | 15 | 5,356 | 6,920 |
| Debtors | 16 | 701,109 | 498,723 |
| Investments | 17 | 2,101,094 | 2,200,000 |
| Cash at bank and in hand | | 816,083 | 816,389 |
| | | 3,623,642 | 3,522,032 |
| Creditors: amounts falling due within one year | 18 | (715,552) | (724,634) |
| Net current assets | | 2,908,090 | 2,797,398 |
| Total assets less current liabilities | | 28,504,946 | 28,983,419 |
| Net assets excluding pension liability | | 28,504,946 | 28,983,419 |
| Defined benefit pension scheme liability | 26 | (9,386,000) | (7,477,000) |
| Total net assets | | 19,118,946 | 21,506,419 |
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 19 | 26,050,981 | 26,345,100 |
| Restricted income funds | 19 | 477,617 | 759,370 |
| | | 26,528,598 | 27,104,470 |
| Restricted funds excluding pension asset | 19 | 26,528,598 | 27,104,470 |
| Pension reserve | 19 | (9,386,000) | (7,477,000) |
| Total restricted funds | 19 | 17,142,598 | 19,627,470 |
| Unrestricted income funds | 19 | 1,976,348 | 1,878,949 |
| Total funds | | 19,118,946 | 21,506,419 |

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

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020**

The financial statements on pages 34 to 63 were approved by the Trustees, and authorised for issue on 08 December 2020 and are signed on their behalf, by:

Margaret Turgoose
Chair of Trustees

The notes on pages 38 to 63 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

| | Note | 2020 £ | 2019 £ |
|---|-------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 21 | (91,834) | (89,542) |
| Cash flows from investing activities | 22 | (7,378) | 41,011 |
| Change in cash and cash equivalents in the year | | (99,212) | (48,531) |
| Cash and cash equivalents at the beginning of the year | | 3,016,389 | 3,064,920 |
| Cash and cash equivalents at the end of the year | 23, 24 | 2,917,177 | 3,016,389 |

The notes on pages 38 to 63 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 GOING CONCERN

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

1.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

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

1.6 TANGIBLE FIXED ASSETS

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.6 TANGIBLE FIXED ASSETS (continued)

Depreciation is provided on the following bases:

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

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

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

1.7 STOCKS

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

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

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

1.10 LIABILITIES

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 OPERATING LEASES

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

1.13 PENSIONS

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.14 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 29.

1.15 FUND ACCOUNTING

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---------------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | 1,256 | - | - | 1,256 | 40,932 |
| Government capital grants | - | - | 338,835 | 338,835 | 158,582 |
| Total 2020 | <u>1,256</u> | <u>-</u> | <u>338,835</u> | <u>340,091</u> | <u>199,514</u> |
| Total 2019 | <u>3,854</u> | <u>37,078</u> | <u>158,582</u> | <u>199,514</u> | |

4. Income from charitable activities

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from charitable activities - Education | 462,159 | 11,781,977 | 12,244,136 | 11,896,245 |
| Income from charitable activities - Nursery | 125,185 | - | 125,185 | 147,360 |
| | <u>587,344</u> | <u>11,781,977</u> | <u>12,369,321</u> | <u>12,043,605</u> |
| Total 2019 | <u>915,031</u> | <u>11,128,574</u> | <u>12,043,605</u> | |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Funding for the Academy's educational operations

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---------------------------------------|--|--|---------------------------------------|---------------------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant | - | 10,468,969 | 10,468,969 | 10,467,787 |
| Other DfE/ESFA grants | - | 1,030,140 | 1,030,140 | 530,913 |
| | - | 11,499,109 | 11,499,109 | 10,998,700 |
| Other government grants | | | | |
| High Needs | - | 174,922 | 174,922 | 118,302 |
| | - | 174,922 | 174,922 | 118,302 |
| Exceptional government funding | | | | |
| Coronavirus funding | - | 98,346 | 98,346 | - |
| | - | 98,346 | 98,346 | - |
| Other | | | | |
| Internal catering income | 327,309 | - | 327,309 | 448,007 |
| Income for hosting trainee teachers | - | 9,600 | 9,600 | 11,572 |
| Sales to students | 4,981 | - | 4,981 | 6,557 |
| Other | 129,869 | - | 129,869 | 313,107 |
| | 462,159 | 11,781,977 | 12,244,136 | 11,896,245 |
| Total 2019 | 767,671 | 11,128,574 | 11,896,245 | |

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

The funding received for coronavirus exceptional support covers £30,273 of premises costs and free school meals costs. These costs are included in notes 8 and 9 below as appropriate.

The Academy furloughed some of its peripatetic music teachers, catering and nursery staff under the government's CJRS. The funding received of £68,073 relates to staff costs in respect of staff which are included within note 11 below as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Income from other trading activities

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------|------------------------------------|-----------------------------|-----------------------------|
| Lettings | 58,641 | 58,641 | 82,225 |
| Total 2019 | 82,225 | 82,225 | |

7. Investment income

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest | 20,970 | 20,970 | 19,620 |
| Total 2019 | 19,620 | 19,620 | |

8. Expenditure

| | Staff Costs 2020 £ | Premises 2020 £ | Other 2020 £ | Total 2020 £ | Total 2019 £ |
|-------------------------|--------------------------|-----------------------|--------------------|--------------------|--------------------|
| Education: | | | | | |
| Direct costs | 8,941,175 | 538,399 | 503,669 | 9,983,243 | 9,750,304 |
| Allocated support costs | 2,271,160 | 908,126 | 599,526 | 3,778,812 | 3,672,252 |
| Nursery: | | | | | |
| Direct costs | 120,844 | - | 7,472 | 128,316 | 136,061 |
| Allocated support costs | - | - | 5,125 | 5,125 | 5,125 |
| Total 2020 | 11,333,179 | 1,446,525 | 1,115,792 | 13,895,496 | 13,563,742 |
| Total 2019 | 10,229,932 | 1,450,039 | 1,883,771 | 13,563,742 | |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £ | Support costs 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-------------------|---|-------------------------------|-----------------------------|-----------------------------|
| Education | 9,983,243 | 3,778,812 | 13,762,055 | 13,422,556 |
| Nursery | 128,316 | 5,125 | 133,441 | 141,186 |
| Total 2020 | 10,111,559 | 3,783,937 | 13,895,496 | 13,563,742 |
| Total 2019 | 9,886,365 | 3,677,377 | 13,563,742 | |

Analysis of direct costs

| | Education 2020 £ | Nursery 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-----------------------|------------------------|----------------------|-----------------------------|-----------------------------|
| Pension finance costs | 140,000 | - | 140,000 | 149,000 |
| Staff costs | 8,383,839 | 121,048 | 8,504,887 | 8,126,779 |
| Depreciation | 538,399 | - | 538,399 | 527,647 |
| Educational supplies | 501,060 | 7,268 | 508,328 | 506,976 |
| Examination fees | 185,889 | - | 185,889 | 195,061 |
| Staff development | 14,969 | - | 14,969 | 15,781 |
| Other costs | 151,955 | - | 151,955 | 347,848 |
| Supply teachers | 67,132 | - | 67,132 | 17,273 |
| Total 2020 | 9,983,243 | 128,316 | 10,111,559 | 9,886,365 |
| Total 2019 | 9,750,304 | 136,061 | 9,886,365 | |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Education 2020 £ | Nursery 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---------------------------------------|---------------------------------|-------------------------------|---------------------------------------|---------------------------------------|
| Staff costs | 2,271,160 | - | 2,271,160 | 2,085,880 |
| Depreciation | 154,442 | - | 154,442 | 145,888 |
| Recruitment and support | 12,333 | - | 12,333 | 9,588 |
| Maintenance of premises and equipment | 166,276 | - | 166,276 | 157,289 |
| Cleaning | 301,075 | - | 301,075 | 282,672 |
| Rent and rates | 114,972 | 5,125 | 120,097 | 141,973 |
| Energy costs | 171,361 | - | 171,361 | 199,695 |
| Insurance | 41,180 | - | 41,180 | 46,791 |
| Security and transport | 45,879 | - | 45,879 | 62,649 |
| Catering | 211,281 | - | 211,281 | 265,031 |
| Technology costs | 107,967 | - | 107,967 | 66,713 |
| Office overheads | 99,967 | - | 99,967 | 82,749 |
| Legal and professional | 35,564 | - | 35,564 | 85,388 |
| Bank interest and charges | 831 | - | 831 | 880 |
| Governance | 44,524 | - | 44,524 | 44,191 |
| Total 2020 | 3,778,812 | 5,125 | 3,783,937 | 3,677,377 |
| Total 2019 | 3,672,252 | 5,125 | 3,677,377 | |

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2020 £ | 2019 £ |
|---------------------------------------|-------------------|-------------------|
| Operating lease rentals | 109,184 | 141,584 |
| Depreciation of tangible fixed assets | 692,841 | 673,535 |
| Fees paid to auditors for: | | |
| - audit | 8,875 | 8,670 |
| - other services | 3,625 | 3,175 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff

a. Staff costs

Staff costs during the year were as follows:

| | 2020 | 2019 |
|---------------------------|-------------------|------------|
| | £ | £ |
| Wages and salaries | 7,933,758 | 7,817,825 |
| Social security costs | 715,261 | 700,112 |
| Pension costs | 2,123,774 | 1,694,722 |
| | 10,772,793 | 10,212,659 |
| Agency staff costs | 67,132 | 17,273 |
| Staff restructuring costs | 3,254 | - |
| | 10,843,179 | 10,229,932 |

Staff restructuring costs comprise:

| | 2020 | 2019 |
|--------------------|--------------|----------|
| | £ | £ |
| Severance payments | 3,254 | - |
| | 3,254 | - |

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

Included in severance payments above is £3,254 paid to one employee.

c. Staff numbers

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

| | 2020 | 2019 |
|----------------------------|-------------|------------|
| | No. | No. |
| Teachers | 139 | 136 |
| Administration and support | 141 | 156 |
| Management | 8 | 8 |
| | 288 | 300 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

| | 2020 | 2019 |
|----------------------------|-------------|------|
| | No. | No. |
| Teachers | 120 | 121 |
| Administration and support | 97 | 100 |
| Management | 8 | 8 |
| | 225 | 229 |

d. Higher paid staff

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

| | 2020 | 2019 |
|---------------------------------|-------------|------|
| | No. | No. |
| In the band £60,001 - £70,000 | - | 2 |
| In the band £70,001 - £80,000 | 2 | 2 |
| In the band £120,000 - £130,000 | 1 | 1 |

e. Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their roles as Trustees) and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £814,593 (2019 £730,194).

Key Management Personnel spend has increased this year due to the appointment a new Assistant Principal to supplement the Senior Leadership Team which had been previously reduced. Also, a significant part of the increase this year is as a result of increased Teachers' Pension employer contribution rates.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Trustees' remuneration and expenses

During the year ended 31 August 2020, expenses totalling £198 were reimbursed or paid directly to 3 Trustees (2019 - £277 to 3 Trustees).

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' total remuneration for the year was as follows: A Davis (headteacher): Remuneration £125,000 - £120,000 (2019: £120,000 - £125,000), Employer's pension contribution £25,000 - £30,000 (2019: £20,000 - 25,000); R Mitchell: Remuneration £25,000 - £30,000 (2019: £30,000 - £35,000), Employer's pension contributions £0 - £5,000 (2019: £0 - £5,000); A Gelling £45,000 - £50,000 (2019: £40,000 - £45,000) Employer's pension contribution £10,000 - £15,000 (2019: £5,000 - £10,000); M Skinner £40,000 - £45,000 (2019: £40,000 - £45,000) Employer's pension contribution £5,000 - £10,000 (2019: £5,000 - £10,000).

13. Trustees' and Officers' insurance

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Tangible fixed assets

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|------------------------|------------|
| Cost or valuation | | | | | |
| At 1 September 2019 | 30,634,274 | 3,139,821 | 176,357 | 35,247 | 33,985,699 |
| Additions | - | 46,762 | 56,914 | - | 103,676 |
| Disposals | - | (39,902) | - | - | (39,902) |
| At 31 August 2020 | 30,634,274 | 3,146,681 | 233,271 | 35,247 | 34,049,473 |
| Depreciation | | | | | |
| At 1 September 2019 | 4,549,313 | 3,089,332 | 138,217 | 22,816 | 7,799,678 |
| Charge for the year | 612,686 | 28,429 | 42,914 | 8,812 | 692,841 |
| On disposals | - | (39,902) | - | - | (39,902) |
| At 31 August 2020 | 5,161,999 | 3,077,859 | 181,131 | 31,628 | 8,452,617 |
| Net book value | | | | | |
| At 31 August 2020 | 25,472,275 | 68,822 | 52,140 | 3,619 | 25,596,856 |
| At 31 August 2019 | 26,084,961 | 50,489 | 38,140 | 12,431 | 26,186,021 |

15. Stocks

| | 2020 £ | 2019 £ |
|----------|-----------|-----------|
| Catering | 5,356 | 6,920 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Debtors

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|----------------|
| Due within one year | | |
| Trade debtors | 15,832 | 54,521 |
| VAT recoverable | 1,143 | 4,503 |
| Prepayments and accrued income | 608,259 | 366,452 |
| VAT recoverable | 75,875 | 73,247 |
| | <u>701,109</u> | <u>498,723</u> |

17. Current asset investments

| | 2020 £ | 2019 £ |
|-------------------------------|-----------|-----------|
| Unlisted investments (liquid) | 2,101,094 | 2,200,000 |

18. Creditors: Amounts falling due within one year

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Trade creditors | 158,625 | 226,749 |
| Other taxation and social security | 179,814 | 183,585 |
| Other creditors | 220,131 | 164,525 |
| Accruals and deferred income | 156,982 | 149,775 |
| | <u>715,552</u> | <u>724,634</u> |
| | 2020 £ | 2019 £ |
| Deferred income at 31 August 2018 | 68,405 | 60,749 |
| Resources deferred during the year | 98,196 | 68,405 |
| Amounts released from previous periods | (68,405) | (60,749) |
| Deferred income at 31 August 2019 | <u>98,196</u> | <u>68,405</u> |

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|--|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Reserves | <u>1,878,949</u> | <u>668,211</u> | <u>(570,812)</u> | <u>-</u> | <u>-</u> | <u>1,976,348</u> |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 759,370 | 11,117,895 | (11,339,761) | (59,887) | - | 477,617 |
| SEN | - | 174,922 | (174,922) | - | - | - |
| Rates | - | 61,895 | (61,895) | - | - | - |
| Pupil Premium | - | 411,974 | (411,974) | - | - | - |
| Pupil Premium - Year 7 Catch Up | - | 15,291 | (15,291) | - | - | - |
| Pension reserve | (7,477,000) | - | (628,000) | - | (1,281,000) | (9,386,000) |
| | <u>(6,717,630)</u> | <u>11,781,977</u> | <u>(12,631,843)</u> | <u>(59,887)</u> | <u>(1,281,000)</u> | <u>(8,908,383)</u> |
| Restricted fixed asset funds | | | | | | |
| Fixed assets transferred on conversion | 21,844,672 | - | (522,903) | - | - | 21,321,769 |
| Fixed assets purchased from GAG other restricted funds | 55,941 | - | (55,362) | 103,667 | - | 104,246 |
| DfE/ ESFA Capital grants | 3,392,289 | 338,835 | (83,068) | (43,780) | - | 3,604,276 |
| Donation | 6,000 | - | (6,000) | - | - | - |
| Local Authority | 942,698 | - | (23,259) | - | - | 919,439 |
| Other capital grants | 103,500 | - | (2,249) | - | - | 101,251 |
| | <u>26,345,100</u> | <u>338,835</u> | <u>(692,841)</u> | <u>59,887</u> | <u>-</u> | <u>26,050,981</u> |
| Total Restricted funds | <u>19,627,470</u> | <u>12,120,812</u> | <u>(13,324,684)</u> | <u>-</u> | <u>(1,281,000)</u> | <u>17,142,598</u> |
| Total funds | <u>21,506,419</u> | <u>12,789,023</u> | <u>(13,895,496)</u> | <u>-</u> | <u>(1,281,000)</u> | <u>19,118,946</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

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

RESTRICTED FUNDS

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

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

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

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

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

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

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

RESTRICTED FIXED ASSET FUNDS

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

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

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

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

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

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

Other information

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|-------------------------------|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| | 26,846,426 | 158,582 | (673,535) | 13,627 | - | 26,345,100 |
| Total Restricted funds | 22,112,759 | 11,324,234 | (12,636,523) | - | (1,173,000) | 19,627,470 |
| Total funds | 23,898,199 | 12,344,964 | (13,563,744) | - | (1,173,000) | 21,506,419 |

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Restricted fixed asset funds 2020 £ | Total funds 2020 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 25,596,856 | 25,596,856 |
| Current assets | 1,976,348 | 1,193,169 | 454,125 | 3,623,642 |
| Creditors due within one year | - | (715,552) | - | (715,552) |
| Defined benefit pension scheme liability | - | (9,386,000) | - | (9,386,000) |
| Total | 1,976,348 | (8,908,383) | 26,050,981 | 19,118,946 |

Analysis of net assets between funds - prior period

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 26,186,021 | 26,186,021 |
| Current assets | 1,878,949 | 1,484,004 | 159,079 | 3,522,032 |
| Creditors due within one year | - | (724,632) | - | (724,632) |
| Defined benefit pension scheme liability | - | (7,477,000) | - | (7,477,000) |
| Total | 1,878,949 | (6,717,628) | 26,345,100 | 21,506,421 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

| | 2020 £ | 2019 £ |
|---|--------------------|-------------|
| Net expenditure for the period (as per Statement of financial activities) | (1,106,473) | (1,218,780) |
| Adjustments for: | | |
| Depreciation | 652,939 | 673,535 |
| Capital grants from DfE and other capital income | (338,835) | (158,582) |
| Interest receivable | (20,970) | (19,620) |
| Defined benefit pension scheme cost less contributions payable | 488,000 | 487,000 |
| Defined benefit pension scheme finance cost | 140,000 | 149,000 |
| Decrease in stocks | 1,564 | 20 |
| Decrease/(increase) in debtors | 101,023 | (36,598) |
| (Decrease)/increase in creditors | (9,082) | 34,483 |
| Net cash used in operating activities | (91,834) | (89,542) |

22. Cash flows from investing activities

| | 2020 £ | 2019 £ |
|--|------------------|-----------|
| Dividends, interest and rents from investments | 20,970 | 19,620 |
| Purchase of tangible fixed assets | (103,676) | (137,191) |
| Capital grants from DfE Group | 35,426 | 158,582 |
| Disposal of tangible fixed assets | 39,902 | - |
| Net cash (used in)/provided by investing activities | (7,378) | 41,011 |

23. Analysis of cash and cash equivalents

| | 2020 £ | 2019 £ |
|--|------------------|-----------|
| Cash in hand | 816,083 | 816,389 |
| Notice deposits (less than 3 months) | 2,101,094 | 2,200,000 |
| Total cash and cash equivalents | 2,917,177 | 3,016,389 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Analysis of changes in net funds

| | At 1 September 2019 £ | Cash flows £ | At 31 August 2020 £ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 816,389 | (306) | 816,083 |
| Liquid investments | 2,200,000 | (98,906) | 2,101,094 |
| | <u>3,016,389</u> | <u>(99,212)</u> | <u>2,917,177</u> |

25. Capital commitments

| | 2020 £ | 2019 £ |
|--|----------------|-----------|
| Contracted for but not provided in these financial statements | | |
| Acquisition of tangible fixed assets | <u>295,055</u> | <u>-</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £1,245,721 (2019 - £870,808).

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £553,000 (2019 - £509,000), of which employer's contributions totalled £422,000 (2019 - £388,000) and employees' contributions totalled £ 131,000 (2019 - £121,000). The agreed contribution rates for future years are 17.6 per cent for employers plus £60,000 per annum and 5.5 - 12.5 per cent for employees.

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

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

Principal actuarial assumptions

| | 2020 | 2019 |
|--|-------------|------|
| | % | % |
| Rate of increase in salaries | 3.30 | 3.70 |
| Rate of increase for pensions in payment/inflation | 2.30 | 2.20 |
| Discount rate for scheme liabilities | 1.60 | 1.85 |
| Inflation assumption (CPI) | 2.3 | 2.20 |

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

| | 2020 | 2019 |
|-----------------------------|--------------|-------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 22.9 | 22.5 |
| Females | 24.1 | 24.4 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.3 | 24.2 |
| Females | 25.5 | 26.2 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Sensitivity analysis

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Discount rate +0.1% | (387) | (314) |
| Discount rate -0.1% | 396 | 321 |
| Mortality assumption - 1 year increase | 609 | 540 |
| Mortality assumption - 1 year decrease | (587) | (520) |
| CPI rate +0.1% | 351 | 285 |
| CPI rate -0.1% | (343) | (278) |

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

| | 2020 £ | 2019 £ |
|---------------------------------------|------------------|------------------|
| Equities | 4,308,000 | 4,023,000 |
| Gilts | 257,000 | 238,000 |
| Corporate bonds | 340,000 | 127,000 |
| Property | 573,000 | 587,000 |
| Cash and other liquid assets | 82,000 | 90,000 |
| Target return portfolio | 908,000 | 942,000 |
| Infrastructure and alternative assets | 749,000 | 608,000 |
| Private equity | - | 122,000 |
| Total market value of assets | 7,217,000 | 6,737,000 |

The actual return on scheme assets was £29,000 (2019 - £282,000).

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

| | 2020 £ | 2019 £ |
|---|--------------------|--------------------|
| Current service cost | (910,000) | (750,000) |
| Past service cost | - | (125,000) |
| Interest income | 123,000 | 164,000 |
| Interest cost | (263,000) | (313,000) |
| Total amount recognised in the Statement of financial activities | (1,050,000) | (1,024,000) |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

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

| | 2020 £ | 2019 £ |
|---|-------------------|------------|
| At 1 September | 14,214,000 | 11,853,000 |
| Current service cost | 910,000 | 750,000 |
| Interest cost | 263,000 | 313,000 |
| Employee contributions | 131,000 | 121,000 |
| Actuarial losses | 1,241,000 | 1,287,000 |
| Benefits paid net of transfers in | (156,000) | (235,000) |
| Past service costs including curtailments | - | 125,000 |
| At 31 August | 16,603,000 | 14,214,000 |

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

| | 2020 £ | 2019 £ |
|--------------------------|------------------|-----------|
| At 1 September | 6,737,000 | 6,185,000 |
| Interest income | 128,000 | 168,000 |
| Actuarial (losses)/gains | (40,000) | 114,000 |
| Employer contributions | 422,000 | 388,000 |
| Employee contributions | 131,000 | 121,000 |
| Benefits paid | (156,000) | (235,000) |
| Administration expense | (5,000) | (4,000) |
| At 31 August | 7,217,000 | 6,737,000 |

27. Operating lease commitments

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2020 £ | 2019 £ |
|--|------------------|-----------|
| Not later than 1 year | 54,594 | 104,842 |
| Later than 1 year and not later than 5 years | 57,433 | 72,632 |
| | 112,027 | 177,474 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

28. Members' liability

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

29. General information

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

30. Related party transactions

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

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

31. Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £43,824 (2019: £42,000) and distributed £37,778 (2019: £40,927) from the fund. An amount of £16,701 (2019: £10,655) is included in other creditors relating to undistributed funds that is repayable to ESFA.