

THE ACADEMY FOR CHARACTER AND EXCELLENCE

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	T Falcao G Golder (Representing Marjon) A Church P Gray (Representing EDEN)
Trustees	C Weyman, CEO J Gater E Hibberd, Chair of Trustees A Slader (resigned 1 January 2020) R Willoughby P Mantell M Haskell
Company registered number	10098444
Principal and registered office	Totnes St Johns C Of E Primary School Pathfields Totnes TQ9 5TZ
Chief executive officer	C Weyman
Senior management team	C Weyman, CEO C Platt, Director of Education M Cornfield, Finance Manager (Resigned 30 November 2019) J Ackroyd, Interim Finance Lead (appointed 01 January 2020)
Independent auditors	Griffin Chartered Accountants Silverdown Office Park Exeter Airport Business Park Exeter EX5 2UX
Bankers	Lloyds Bank plc 234 High Street Exeter Devon EX4 3NL
Solicitors	PHP Law LLP 6 Atlantic Building Queen Anne's Battery Plymouth PL4 0LP

THE ACADEMY FOR CHARACTER AND EXCELLENCE
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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 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates 5 primary academies in the authorities of Torbay and Devon. Its academies have a combined pupil capacity 1002.

The Trust operates 5 primary academies in Devon - Shaldon Primary, Redhills Primary, Collaton St. Mary C of E Primary, Galmpton C of E Primary, Totnes St. John's C of E Primary with a further two in management partnerships.

Structure, governance and management

The Academy Trust was incorporated on 1 April 2016 and opened with Shaldon and Redhills Academies on 1 June 2016. It was joined by Collaton St Mary and Galmpton on the 1 November 2017 and Totnes St John's on the 1st December 2018. It is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Members of The Academy for Character and Excellence are akin to the Shareholders of a company and are often referred to as the "gatekeepers". However, unlike Shareholders of a company, Members cannot take money or assets from the company. The Members have ultimate control over the Trust, with the ability to appoint some of the Trustees and the right to amend the Trust's Articles of Association.

a. Constitution

The Trustees of The Academy for Character and Excellence are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Academy for Character and Excellence.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development. The Board and Members also need to take account of the fact that there must be a majority of Foundation Directors on the Board which is line with the requirements of the Diocese of Exeter.

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

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Trustees conduct a skills analysis each year; training is identified and fed into the CPD strategy. In addition to this, Trustees are included in a cycle of training and updates each year, such as Keeping Children Safe in Education, GDPR and Ofsted. The Trust arranges training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. This is normally a Trust-wide event giving the Trustees and Members a chance to meet with staff from all areas of the Trust.

The Trust is a member of the Confederation of School Trusts (CST) which provides ongoing support for governance. This membership offers workshops, seminars and training events that the Trustees are able to attend. Trustees are also encouraged to attend specific Trustee training which is currently provided by the CST, Babcock and other external consultants. The Trust also subscribes to the Governance support provided by both Babcock and The Key for School Leaders and reports and newsletters are circulated to all Trustees and Governors.

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

Structure, governance and management (continued)

e. Organisational structure

The Board of Trustees normally meets once each half term. The Board establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference, procedures of Committees and other groups where established. It will receive reports including policies from its Committees for ratification where applicable and will monitor the activities of the Committees through the minutes of their meetings. The Board may, from time to time, establish Working Groups to perform specific tasks over a limited timescale. There is a Finance Committee which includes an audit remit; and an Ethos and Distinctiveness Committee which ensures that the Trust satisfies the requirements of SIAMS and The Church of England's Vision for Education.

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

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

There is a second tier of Governance within the Trust with clearly defined roles and responsibilities including portfolio responsibility linked with a Strategic Board Director. The current structure is as follows:

- Local Committees at Shaldon, Redhills, Collaton and Galmpton which meet up to 6 times per annum.
- There is not currently a Governing body at Totnes St John's but this is managed via an Interim Advisory Board (IAB) consisting of 3 Strategic Board Directors, the Trust Leadership Team and the Headteacher. The IAB meets up to 6 times per annum. The IAB recruited local governors and there is a transition program in place to move this to a Local Committee.

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

Structure, governance and management (continued)

The Board of Trustees have devolved responsibility for day to day management of the Academy to the CEO. The Academy Trust has a leadership and support structure which consists of:-

The Strategic Board: Trustees and the CEO (also a Trustee).

The Trust Finance Committee: 2 Strategic Board Directors (and open invitation for the Chair of the Strategic Board), the CEO (also a Director and Accounting Officer) and the Director of Finance.

The Trust Leadership Team: The CEO, Director of Education/Deputy CEO and Interim Director of Finance.

The Education Leadership Team comprises of the CEO, the Director of Education and the Headteachers.

The Central Services Team comprises of the CEO, Director of Education/Deputy CEO, Director of Finance, The Trust HR Officer, the Trust Finance Officer, The Safeguarding Lead and the Executive Assistant to the CEO.

The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making and accountability at all levels.

The Trust Leadership Team controls the Trust at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The CEO and the Director of Finance are responsible for the authorisation of spending within agreed budgets and this is reviewed by the Trust Finance Committee, a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The CEO is responsible for the appointment of staff, though appointment panels in line with the Scheme of Delegation.

Cheryl Weyman, the CEO, is also the Accounting Officer.

f. Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Trust Leadership Team which comprises the key management personnel of the Trust to be in charge of directing and controlling, running and operating the Trust on a day to day basis.

The pay of key executives is reviewed annually by the Trustees advised by an external consultant having regard to a number of factors including performance.

The Trustees benchmark against pay levels in other Trusts of a similar size. All Trustees give their time freely and no Trustee received remuneration in the year in respect to their role as a Trustee.

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

g. Trade union facility time

During the year ended 31 August 2020, no employees of the Academy Trust were relevant union officials.

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

Objectives and activities

a. Objects and aims

As a charitable trust, our aim is to advance education for the public benefit in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

In relation to Church schools, these are to be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Master Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

Mission, Vision and Core Values

Our Mission:

Excellence through cultivating character, sharing talents and pursuing innovation.

Our Vision:

Our vision is to develop character through educational excellence within a viable, sustainable trust.

Our aim is to ensure that all our schools exemplify excellence through a focus on cultivating character, sharing talents and promoting innovation. We believe in ensuring that our schools preserve their unique identities and traditions, in order to serve their different contexts and communities. However, we are all united in our determination to achieve excellence in many different forms - the character of children, the quality of value-led education, our success in Ofsted and SIAMS inspections and the high achievements of our learners.

Our underpinning values

Our educational philosophy is focused on developing values which we want our Trust to embrace.

We want our Trust to engender a passion for uncompromising excellence. As educators, we will inspire those around us with our passion and desire to be the best version of ourselves.

We want to develop creativity across our Trust. We will be problem solvers, innovators and knowledge creators.

We want our pupils to believe they can make a positive difference through tenacity and courage. Our children will become courageous advocates for change in local, national and global communities. We have prioritised working with the elderly, local volunteering and working with local churches.

We believe in collaboration, the power of working together and sharing and developing talents.

We want to foster responsibility for ourselves, others and our community. We recognise that we are stronger together. We can depend on one another, but we also have a responsibility to play our part in looking after ourselves and others. We want to be connected to our community: locally, nationally and globally. We believe in service to our community as a fundamental approach of our Trust.

We want our children to develop integrity and compassion. We will value the ultimate worth of each person supporting our children to know their place in the world

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

Objectives and activities (continued)

b. Objectives, strategies and activities

The Trust regularly reviews its key objectives and strategies for achieving its mission of excellence in character education. These objectives are set out in the Trust Strategy with each school having a School Improvement Plan in which it sets out how it will achieve these objectives.

School improvement is central to the workings of the Trust, both within the Trust and beyond. It is based on collaborative working and school-to-school support. The deployment of resources and shared expertise from across the Trust, together with access to a range of external expertise, results in a School Improvement Strategy which is proactive and bespoke.

Principles for our School Improvement Strategy:

1. Know our academies performance and set a culture of high expectations.
2. Ensure our academies work collaboratively.
3. Bespoke support according to need and context.
4. Strategic use of resources.
5. Maintaining a focus on improving teaching and learning.
6. Prioritising use of research to inform school improvement.
7. Empower leaders at all levels.
8. Application of non-negotiable's.
9. Seek out innovation and best practice.
10. Measure the impact of our actions and be relentless in our pursuit of improvement.

The Trustees regularly review the Trust performance data which oversight is supported by local committees. In 2019/20 our main objectives were:

- Goal A: Establish excellence in Character Education across the Trust through the development of deep learning.
Goal B: Develop and establish a research and development hub.
Goal C: Establish a culture of learning for all through targeted professional development.
Goal D: Achieve target outcomes in education and business
Goal E: Establish secure systems to support the schools effectively.

c. Public benefit

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

The schools within the Trust do make their facilities available to the general public by way of letting's for various community groups and for use as polling stations at various times of the year. The local community are always invited to take part in and attend school events such as Christmas Fairs.

The Trust aims to advance for public benefit, education in each school and provides educational services to all children in the local and surrounding areas. The Trust also supports children in other areas through its work as a National Support School.

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

Strategic report

Achievements and performance

a. Achievements and Performance

The Trust continues to follow its best practice for school improvement. However, there is recognition that this has been more challenging as measures for Covid-19 has prevented collaboration within schools working alongside teachers to improve practice. However, the Trust has successfully implemented online communication which has enabled successful home-learning and the sharing of pedagogy through Trust Improvement Groups.

Performance of the Trust

	OFSTED Judgement	SIAMS Judgement
Collaton St Mary CE Primary	Good (2014)	Outstanding (2016)
Galmpton CE Primary	Good (2017)	Outstanding (2017)
Redhills Community Primary	Good (2019)	
Shaldon Primary	Outstanding (2014)	
Totnes St Johns	Inadequate (2017)	Satisfactory (2015)

Attendance (Note: These attendance figures have been affected by COVID)

Collaton St Mary	Galmpton	Redhills	Shaldon	Totnes St Johns
96.2%	95%	95.6%	95.9%	95%

Other achievements across the Trust:

Due to the pandemic, 2019/20 results are based on Teacher Assessment. However, the Trust has continued to drive for high performance during the closure of its schools through a blend of home learning and school-based teaching.

Key Stage 2

Academy for Character and Excellence

Pupils at end of Keystage 2

	Cohort	Reading				Writing			
		DfE KS2 Progress	% Expected +	% High	Average scaled score	DfE KS2 Progress	% Expected +	% High	
ACE	188	5.24	88	38	105.3	5.88	88	32	
Berry Pomeroy	10	8.21	90	30	104.8	6.37	80	10	
Brixham	32	4.39	84	25	103.6	4.97	84	19	
Collaton	32	4.35	88	38	105.4	5.42	94	34	
Galmpton	33	4.38	94	33	105.6	6.38	94	39	
Redhills	35	7.50	77	34	103.3	6.77	77	17	
Shaldon	31	4.76	97	65	109.1	6.07	97	61	
Totnes St Johns	15	4.67	87	40	105.4	4.95	87	27	

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Pupils at end of Keystage 2

	Cohort	Mathematics				RWM Combined	
		DfE KS2 Progress	% Expected +	% High	Average scaled score	% Expected +	% High
ACE	188	3.98	88	37	105.1	85	28
Berry Pomeroy	10	4.74	80	20	102.6	70	10
Brixham	32	3.72	88	25	104.0	81	16
Collaton	32	4.58	97	41	106.7	88	25
Galmpton	33	4.48	94	45	106.8	94	30
Redhills	35	3.93	77	17	101.3	74	17
Shaldon	31	3.11	90	61	108.0	90	58
Totnes St Johns	15	3.74	87	40	105.4	87	27

Pupils at end of Keystage 2

	Cohort	EGPS		
		% Expected +	% High	Average scaled score
ACE	188	85	26	103.4
Berry Pomeroy	10	100	20	105.0
Brixham	32	72	16	101.2
Collaton	32	94	41	106.3
Galmpton	33	88	15	101.4
Redhills	35	74	17	101.3
Shaldon	31	94	42	106.4
Totnes St Johns	15	80	33	103.9

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Key Stage 1

Pupils at end of Keystage 1							
	Cohort	Reading		Writing		Mathematics	
		% Expected	% Greater depth	% Expected	% Greater depth	% Expected	% Greater depth
ACE	184	84	35	82	33	83	36
Berry Pomeroy	15	80	47	73	33	73	47
Brixham	30	83	23	83	10	80	20
Collaton	30	90	33	87	33	90	43
Galampton	30	90	50	87	53	87	50
Redhills	25	80	32	80	32	84	28
Shaldon	30	87	40	87	40	87	40
Totnes St Johns	24	71	25	71	25	75	25

Pupils at end of Keystage 1					
	Cohort	Phonics			
		Year 1 Cohort	Year 1 % Expected	Year 2 Cohort	Year 2 % Expected
ACE	184	171	84	-	-
Berry Pomeroy	15	14	71	-	-
Brixham	30	30	80	-	-
Collaton	30	30	83	-	-
Galampton	30	30	83	-	-
Redhills	25	26	92	-	-
Shaldon	30	29	93	-	-
Totnes St Johns	24	12	75	-	-

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Pupils at end of Early Years		
	Cohort	Good level of development % Expected
ACE	178	84
Berry Pomeroy	15	93
Brixham	30	83
Collaton	29	86
Galmpton	30	90
Redhills	26	81
Shaldon	30	90
Totnes St Johns	18	56

In 2019/20, The Trust produced combined KS2 results (Teacher Assessment) which were well above national (2019) for all key stages at 85% combined across the Trust. KS1 also produced strong results with a combined of 84%.

Phonics results continue to be strong with a Trust combined percentage of 84%.

The Trust entered into a management partnership with Brixham Church of England Primary School in May 2020. Outcomes during this Management Partnership have significantly risen with end of KS2 outcomes with Reading, Writing and Mathematics at 81% (Teacher Assessment) combined compared to 40% in 2019.

The Trust is continuing with its management partnership with Berry Pomeroy with the school expecting to convert into the Trust in 2021.

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

Strategic report (continued)

Achievements and performance (continued)

b. Key performance indicators

The Trust has identified the following key performance indicators to focus on over the coming year:

1. Overall Labour costs to be 75% of GAG Funding.
2. Monitoring of In Year performance against the 3% operating margin target.
3. Performance comparison between schools on: Income per Pupil, Labour costs per Pupil, Non-Labour costs per Pupil. For trend analysis across the different operating environments.
4. Cash flow assessment against 8% target.
5. From 2020-21 Purchasing system review of order authority efficiency and Creditor analysis of payment within agreed Terms.
6. Maximise the numbers on roll at Totnes St. John's.
7. Schools to achieve either a good or outstanding Ofsted judgement.
8. Development of pedagogy to deliver Trust Curriculum.
9. Pupil attainment and progress at least in line with the top 10% nationally

c. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

Financial review

a. Financial Review 2019/20

The Financial Year 2019-20 has been a transitional Year for the Trust as it is progressively growing having recently sponsored Totnes St. John's Primary as well as entering into two management partnerships with Brixham Church of England Primary School and Berry Pomeroy Primary School.

This growth has been a financial challenge as the schools that have recently joined the Trust have done so having received poor Ofsted assessments and also poor financial performance records.

During financial year 2019-20 the Trust has formalised a number of its financial performance parameters and undertaken a full review of not only schools recently joining the Trust, but also schools that have been established members of the Trust.

These measures have been established to create a more secure financial structure to enable the Trust to re-invest in its operations.

The Finance Committee agreed a set of performance targets that include achieving a 3% Operating Surplus, against Total Funds, within each School, within the Trust, to establish a longer term objective of establishing a 10% level of Income Funds.

We are also seeking to establish a Cash at Bank and in Hand level of 8% of the Trusts Total Income.

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

Based on our Statutory accounts the Trust in financial year 2018-19 had reserves of 0.3% and Cash balances that equated to 1.35% of Total Income. These Figures have improved significantly in 2019-20 with Reserves now equalling 2.0% and Cash balances equating to 5.5%.

This performance improvement has been achieved against a background of the very challenging conditions created by the outbreak of Covid 19 which has seen increased cost pressures in assuring the safety of our Pupils and Staff. Health and Safety and Cleaning provision costs have seen significant increases in cost and time commitments of our staff and the need to provide additional staffing cover has also negatively affected our cost base.

During the 12 months to 31 August 2020, the academy received total revenue income of £5,936,495 and incurred total expenditure of £5,748,398. Therefore, there was a surplus in the year of £188,097. The funds carried forward as unspent were £185,762 of unrestricted funds and £20,682 of restricted funds.

The academy has a deficit in the Local Government Pension Scheme in respect of its non teaching staff. The deficit is incorporated within the statement of Financial Activity with details in Note 27.

With the future conversion of Brixham Church of England Primary School, this will help us facilitate the enhancement of our Central administrative function.

The Trust is now in a position to build upon progress towards performance targets during 2020-21.

b. Reserves policy

The Trust has now established a 3% in Year and a cumulative 10% Reserves strategy based against Total Funds.

Currently the Trust has two operating functions that are not in a Surplus level.

An area of deficit performance has been within Totnes St.John's Primary school which joined the Trust with an underperforming Education and Financial history. See note 20 for further analysis.

The school is in the middle of a three-year programme to improve in both its Education and Financial performance and should return to a positive level within 2020-21.

All our functions within the Trust have had increased cost pressures and potential losses of Income due to Covid 19 but the current recovery regulations measured against our improved overall financial performance have not made it possible to seek additional funding from the Government.

Full quantification of these additional costs of working and lost revenues is not fully identifiable per school due to most Health and Safety enhancements being authorised through our Central Office activity but a reasonable estimate would be that the pandemic has had approximately a £50k negative effect on performance across the Trust.

This estimate does not include the valuation effects of the Local Government and Teachers' Pension scheme which have been negatively affected by the Covid 19 downward pressure on Pension scheme assets as the Financial market share prices have declined.

In Financial year 2019-20 we have seen Employer Contributions increase from 15.4% to 17.6% a rise of 14.3% and the need to make additional contributions to the deficit level of approximately £45k per year.

Our current Reserves strategy have taken these cost increases into consideration and we feel that our targets will be maintained in forthcoming financial years.

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c. Investment policy

Cash balances will still be held in deposit accounts as there is no current change to this strategy proposed.

The Trust target is to raise cash balances to an underlying level of 8% of Total Income. It is likely that no change to the current policy will be reviewed until either this level is consistently achieved or market conditions change appertaining to nil risk investment returns.

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TRUSTEES' REPORT (CONTINUED)
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d. 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 Trust are as follows:

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last year 88% of the Academy Trust's incoming resources (excluding funds transferred on conversion) 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 Trust'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 Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil 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 Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy Trust plans to appoint a Responsible Officer 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 Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register has been adopted by the Strategic Board and is reviewed and updated on a regular basis by the Trust Finance Committee and the Trust Leadership Team. The Finance Committee reports back to the Strategic Board on the Risk Register.

The Trustees have assessed the major risks to which the Academy Trust 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.

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

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The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 28 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Fundraising

The Trust does not use any external fundraiser but each school does have active fundraising capability via its PTFA's etc.

Plans for future periods

1. Conversion of Brixham Church of England Primary into the Trust.
2. Conversion of Berry Pomeroy Church of England Primary into the Trust.
3. Publication of Trust Curriculum document on Character Education.

The Trust has reviewed its position and has set a 5 year strategy with the ambition of:

Growing a culture of empowerment whilst securing the viability and sustainability of the Trust. Character education, Church school distinctiveness and the pursuit of excellence remain central to the vision of the Trust.

Priority 1

Culture: Growing an exceptional team through a high challenge, high support organisation.

Priority 2

School Performance: Successfully pursuing excellence at all levels.

Priority 3

Curriculum: Cultivate our children's character through 'A Curriculum for Excellence'.

Priority 4

Church Schools: Delivering excellence through A Christian vision for Education.

Priority 5

Service: Developing our Trust as a Civic organisation

Priority 6

One organisation: Embedding resilient systems and achieving long-term sustainability.

ACE has a strong record for successful school improvement. Trustees have considered and approved a responsible growth strategy that will ensure the continued improvement of its schools whilst ensuring the Trust's sustainability.

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

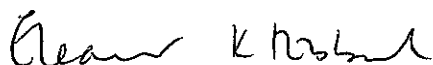
THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

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

Auditors

The auditors, Griffin, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 10 December 2020 and signed on its behalf by:



E Hibberd
Chair of Trustees

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Academy for Character and Excellence 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 Cheryl Weyman, 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 The Academy for Character and Excellence 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.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

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 7 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Weyman, CEO	7	7
J Gater	6	7
E Hibberd, Chair of Trustees	7	7
A Slader	1	2
R Willoughby	7	7
P Mantell	7	7
M Haskell	6	7

Anneliese Slader resigned as a Trustee of the Board on the 1st January 2020.

The Board of Trustees (Strategic Board) is the accountable body for the MAT. The Board of Trustees have three core functions:

1. Ensuring clarity of vision, ethos, sets and is responsible for the strategic direction;
2. Holding the CEO to account for the educational performance of the Trust schools and their pupils;
3. Overseeing the financial performance of the schools and making sure the Trust money is well spent.

Trustees operate in the interests of the children across the Trust.

The role of the local governing bodies and Interim Advisory Board:-

- Ensuring clarity of vision, ethos and strategic direction;
- Holding the headteacher to account for the educational performance of the school and its pupils the performance management of staff;
- Parental and community engagement; and
- Overseeing the financial performance of the school and making sure its money is well spent. This will be done through meetings, reports, data sent to them, and a regular cycle of visits.

Performance of the board:

The Strategic Board has high level expertise in legal/HR, finance, business and education. Directors are at one in their passion and ambition for the pupils of the Trust as demonstrated by the outcomes achieved. They ensure clarity of vision, ethos and strategic direction; hold executive leaders to account for the performance of the Trust; and oversee the financial performance of the organisation, making sure that money is well spent.

Quality of Data

The board uses the following data:

- High level data dashboards to analyse performance in HR, safeguarding, school outcomes, premises management as well as benchmarking the Trust performance;
- CEO reports;
- Portfolio reports;
- Headteacher reports and minutes of local committee meetings.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The data presented to the board is analysed and discussed at board meetings and committee meetings. The data reported is 'top line' with potential questions then relayed to the Local Committees for a more in depth analysis at a local level.

This year there has been a review of governance within the Trust. This has included governor portfolios and communication.

The board have reviewed the effectiveness of the seven portfolios in relation to the impact they have at local committee level. The board has also reviewed the accountability of Trustees and governors and reflected this in the Scheme of Delegation. As a result of this exercise, a strategic decision was made that local committees hold portfolios on four key areas: Safeguarding; Curriculum and Standards; Ethos and Distinctiveness; and Community Partnerships. A review of this will be conducted in the next financial year to assess the impact.

The Finance Committee was re-established during the year following the appointment of a Trustee to hold the Finance portfolio. This committee is chaired by Mark Haskell and is also attended by the CEO (also Accounting Officer), one other Board Director, the Director of Finance and Operations and there is an open invitation for the Chair of the Strategic Board to attend.

The Committee meets at least three times each year to consider matters arising from its terms of reference, or matters placed on the agenda at the request of the Strategic Board or of the Chair or any member of the Committee.

The committee will also act as the Audit Committee on an annual basis to consider the Annual Trust Accounts.

In addition to the Finance Committee, the Trust also ensures that all other important areas are scrutinised appropriately through Directors holding a portfolio in Estates; HR; Community Partnerships; Safeguarding; Curriculum and Standards; and Church school distinctiveness.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Haskell	6	6
R Willoughby	6	6
C Weyman	6	6
J Ackroyd	6	6
E Hibberd	5	6

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, Cheryl Weyman 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 Trust during this Financial year has undertaken a full review of all its operation and has established School performance targets within Education and Finance.

Levels of staff expenditure are monitored against GAG Revenues and the framework for establishing Computerised Ordering and authorisation has been put in place. Greater use of software systems to enhance the financial knowledge base across all schools has now also been instigated.

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. 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 and the Government.
- 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.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Academy for Character and Excellence for the year 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 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 ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has decided to employ an independent firm as internal auditor.

A tender process is being undertaken in the financial year 2020-21 to separate the provision of Internal audit from our External auditors which had been the historic position in response to the revised FRC Ethical Standards.

The Finance committee will agree the schedule of work for Internal audit over a three year commissioned tender period.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems. In particular, the checks carried out in the current period included governance, regularity, risk management, financial budgeting and monitoring, fixed assets and Covid-19 impact.

On a semi-annual basis, the internal auditor reports to the Board of Trustees through the finance committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned and no material control issues arose as a result of their work.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

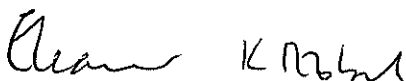
Review of effectiveness

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

- the discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



E Hibberd
Chair of Trustees
Date: 10 December 2020



C Weyman
Accounting Officer

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Academy for Character and Excellence I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2019.

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 2019.

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.



C Weyman
Accounting Officer
Date: 10 December 2020

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

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

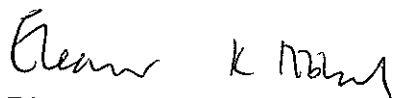
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 on 10 December 2020 and signed on its behalf by:



E Hibberd
Chair of Trustees

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACADEMY FOR CHARACTER AND EXCELLENCE**

Opinion

We have audited the financial statements of The Academy for Character and Excellence (the 'academy') 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 Financial Reporting Standard 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.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACADEMY FOR CHARACTER AND EXCELLENCE (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 including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have 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 including the Strategic 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.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACADEMY FOR CHARACTER AND EXCELLENCE (CONTINUED)**

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.

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.



Misty Nickells FCA (Senior statutory auditor)
for and on behalf of
Griffin
Statutory Auditor

Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX

Date: 15/12/20

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
ACADEMY FOR CHARACTER AND EXCELLENCE AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 13 May 2020 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 The Academy for Character and Excellence 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 The Academy for Character and Excellence and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Academy for Character and Excellence 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 The Academy for Character and Excellence and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Academy for Character and Excellence's accounting officer
and the reporting accountant**

The accounting officer is responsible, under the requirements of The Academy for Character and Excellence's funding agreement with the Secretary of State for Education dated 13 May 2020 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.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
ACADEMY FOR CHARACTER AND EXCELLENCE 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.



Misty Nickells FCA (Senior Statutory Auditor)
Reporting Accountants

Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX

Date: 15/12/20

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(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	4	31,990	175,602	418,030	625,622	590,175
Charitable activities	5	94,942	5,370,862	-	5,465,804	5,452,919
Other trading activities	7	87,474	175,082	-	262,556	146,649
Investments	8	121	-	-	121	138
Total income		214,527	5,721,546	418,030	6,354,103	6,189,881
Expenditure on:						
Charitable activities	9	46,627	6,080,771	181,897	6,309,295	6,439,905
Other expenditure		-	-	-	-	325,184
Total expenditure		46,627	6,080,771	181,897	6,309,295	6,765,089
Net income/(expenditure)		167,900	(359,225)	236,133	44,808	(575,208)
Transfers between funds	20	-	422	(422)	-	-
Net movement in funds before other recognised gains/(losses)		167,900	(358,803)	235,711	44,808	(575,208)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(25,000)	-	(25,000)	(431,000)
Net movement in funds		167,900	(383,803)	235,711	19,808	(1,006,208)
Reconciliation of funds:						
Total funds brought forward		17,862	(2,530,515)	6,490,085	3,977,432	4,983,640
Net movement in funds		167,900	(383,803)	235,711	19,808	(1,006,208)
Total funds carried forward		185,762	(2,914,318)	6,725,796	3,997,240	3,977,432

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

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

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

The notes on pages 36 to 69 form part of these financial statements.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)
REGISTERED NUMBER: 10098444


BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	17	6,549,041	6,327,678
		<u>6,549,041</u>	<u>6,327,678</u>
Current assets			
Debtors	18	544,223	570,755
Cash at bank and in hand		348,157	83,742
		<u>892,380</u>	<u>654,497</u>
Creditors: amounts falling due within one year	19	(509,181)	(473,743)
Net current assets		<u>383,199</u>	<u>180,754</u>
Total assets less current liabilities		<u>6,932,240</u>	<u>6,508,432</u>
Net assets excluding pension liability		<u>6,932,240</u>	<u>6,508,432</u>
Defined benefit pension scheme liability	27	(2,935,000)	(2,531,000)
Total net assets		<u><u>3,997,240</u></u>	<u><u>3,977,432</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	6,725,796	6,490,085
Restricted income funds	20	20,682	485
		<u>6,746,478</u>	<u>6,490,570</u>
Restricted funds excluding pension asset	20	6,746,478	6,490,570
Pension reserve	20	(2,935,000)	(2,531,000)
Total restricted funds	20	<u>3,811,478</u>	<u>3,959,570</u>
Unrestricted income funds	20	<u>185,762</u>	<u>17,862</u>
Total funds		<u><u>3,997,240</u></u>	<u><u>3,977,432</u></u>

The financial statements on pages 31 to 69 were approved by the Trustees, and authorised for issue on 10 December 2020 and are signed on their behalf, by:

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

 12.13.20

E Hibberd
Chair of Trustees

The notes on pages 36 to 69 form part of these financial statements.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(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 provided by/(used in) operating activities	22	188,920	(10,382)
Cash flows from investing activities	23	75,495	5,552
Change in cash and cash equivalents in the year		264,415	(4,830)
Cash and cash equivalents at the beginning of the year		83,742	88,572
Cash and cash equivalents at the end of the year	24, 25	<u>348,157</u>	<u>83,742</u>

The notes on pages 36 to 69 form part of these financial statements

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A company limited by guarantee)

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

1. General information

The Academy for Character and Excellence is a company limited by guarantee, incorporated in England and Wales. The registered office is Totnes St Johns C of E Primary School, Pathfields, Totnes, TQ9 5TZ.

2. 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.

2.1 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.

A wholly owned subsidiary company, ACE Enhanced Services Limited (AES), was incorporated on 26 January 2017 with the intention that this company would operate pre-schools on the Academy Trust sites. However, having regard to the level and the nature of activity and balances in AES up to 31 August 2020, it is considered that not consolidating AES does not materially impact the transactions and balances reported in the financial statements of the Academy Trust. Accordingly consolidated financial statements have not been prepared.

The Academy for Character and Excellence meets the definition of a public benefit entity under FRS 102.

2.2 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.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.3 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 year 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.

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

2.4 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.

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

2. Accounting policies (continued)

2.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

2.5 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.

2.6 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £1,000 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.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold and long term leasehold property	- Buildings 50 years / Land 125 years
Furniture and equipment	- 15% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 25% reducing balance

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.

Where the Academy Trust has been granted use of the school buildings from the Diocese under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risk and rewards of ownership remain with the Diocese.

The Academy Trust has been granted use of the school buildings for Collaton St Mary Church of England Primary School, Totnes St John Church of England Primary School and Galmpton Church of England Primary School, from the Diocese of Exeter under a Supplemental Agreement which grants the Academy Trust a license to occupy the land and buildings.

The Academy Trust's occupation for the period is recognisable as a notional donation (since it pays no actual rent) and a notional rental expense for its use of the premises. The value of the donation is the amount that the Academy Trust would otherwise have to pay to secure the premises for its operations, based on the rateable value of the buildings.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 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.

2.10 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.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.11 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 18. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. 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.

2.12 Operating leases

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

2.13 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.

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

2. Accounting policies (continued)

2.14 Fund accounting

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

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

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

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

3. 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 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

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

4. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	31,990	175,602	28,613	236,205	221,131
Capital Grants	-	-	389,417	389,417	369,044
	<u>31,990</u>	<u>175,602</u>	<u>418,030</u>	<u>625,622</u>	<u>590,175</u>
<i>Total 2019</i>	<u><u>55,836</u></u>	<u><u>165,295</u></u>	<u><u>369,044</u></u>	<u><u>590,175</u></u>	

Included in donations is £150,000 (2019: £150,000) of donated facilities. The Trust is grateful to the Diocese of Exeter for the use of its land and buildings. The estimated value of these services is recognised within incoming resources as a donation and an equivalent charge included within rent costs.

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from education	94,942	5,370,862	5,465,804	5,307,013
Income from nursery	-	-	-	145,906
	<u>94,942</u>	<u>5,370,862</u>	<u>5,465,804</u>	<u>5,452,919</u>
<i>Total 2019</i>	<u><u>300,020</u></u>	<u><u>5,152,899</u></u>	<u><u>5,452,919</u></u>	

THE ACADEMY FOR CHARACTER AND EXCELLENCE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Funding for the Academy's education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant	-	4,156,502	4,156,502	4,097,230
Start up grants	-	50,000	50,000	50,000
Other DfE/ESFA grants	-	611,973	611,973	348,553
Pupil Premium	-	376,773	376,773	357,567
	-	5,195,248	5,195,248	4,853,350
Other government grants				
Higher Needs	-	168,980	168,980	168,483
Other government grants non capital	-	6,634	6,634	129,854
	-	175,614	175,614	298,337
Other funding				
Internal catering income	47,502	-	47,502	71,531
Sales to students	1,295	-	1,295	617
Other	46,145	-	46,145	83,178
	94,942	5,370,862	5,465,804	5,307,013
Total 2019	154,114	5,152,899	5,307,013	

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

7. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	22,237	-	22,237	25,080
Other trading income	639	-	639	1,571
Consultancy	-	175,082	175,082	49,321
Fees received	64,598	-	64,598	70,677
	<u>87,474</u>	<u>175,082</u>	<u>262,556</u>	<u>146,649</u>
<i>Total 2019</i>	<u>97,328</u>	<u>49,321</u>	<u>146,649</u>	

8. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	121	121	138
	<u>138</u>	<u>138</u>	
<i>Total 2019</i>	<u>138</u>	<u>138</u>	

THE ACADEMY FOR CHARACTER AND EXCELLENCE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Education:					
Direct costs	4,032,960	157,195	270,004	4,460,159	4,385,375
Allocated support costs	581,457	585,615	682,064	1,849,136	1,924,324
Nursery:					
Direct costs	-	-	-	-	125,103
Allocated support costs	-	-	-	-	5,103
Other expenditure	-	-	-	-	325,184
	<u>4,614,417</u>	<u>742,810</u>	<u>952,068</u>	<u>6,309,295</u>	<u>6,765,089</u>
<i>Total 2019</i>	<u>4,694,766</u>	<u>557,765</u>	<u>1,512,558</u>	<u>6,765,089</u>	

THE ACADEMY FOR CHARACTER AND EXCELLENCE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	4,460,159	1,849,136	6,309,295	6,309,699
Nursery	-	-	-	130,206
	<u>4,460,159</u>	<u>1,849,136</u>	<u>6,309,295</u>	<u>6,439,905</u>
<i>Total 2019</i>	<u><u>4,510,478</u></u>	<u><u>1,929,427</u></u>	<u><u>6,439,905</u></u>	

Analysis of direct costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance costs	-	-	-	41,000
Staff costs	4,008,599	-	4,008,599	3,932,645
Depreciation	157,194	-	157,194	52,662
Educational supplies	105,781	-	105,781	91,226
Staff development	25,970	-	25,970	38,438
Other costs	25,633	-	25,633	81,280
Supply teachers	24,361	-	24,361	176,075
Technology costs	112,621	-	112,621	97,152
	<u>4,460,159</u>	<u>-</u>	<u>4,460,159</u>	<u>4,510,478</u>
<i>Total 2019</i>	<u><u>4,385,375</u></u>	<u><u>125,103</u></u>	<u><u>4,510,478</u></u>	

THE ACADEMY FOR CHARACTER AND EXCELLENCE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2020 £	Nursery 2020 £	Total funds 2020 £	Total funds 2019 £
Pension finance costs	46,000	-	46,000	-
Staff costs	581,457	-	581,457	586,046
Depreciation	24,703	-	24,703	109,511
Other costs	17,778	-	17,778	5,103
Recruitment and other staff costs	20,448	-	20,448	16,698
Maintenance of premises and equipment	139,239	-	139,239	118,519
Cleaning	171,215	-	171,215	160,738
Rent and rates	193,272	-	193,272	197,314
Heat and light	66,847	-	66,847	71,792
Insurance	26,652	-	26,652	43,319
Security and transport	25,178	-	25,178	45,518
Catering	170,561	-	170,561	195,891
Technology costs	89,431	-	89,431	85,548
Office overheads	84,222	-	84,222	104,947
Legal and professional	191,117	-	191,117	187,239
Bank interest and charges	1,016	-	1,016	981
Governance costs	-	-	-	263
	<u>1,849,136</u>	<u>-</u>	<u>1,849,136</u>	<u>1,929,427</u>
<i>Total 2019</i>	<u>1,924,324</u>	<u>5,103</u>	<u>1,929,427</u>	

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

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	62,359	30,533
Depreciation of tangible fixed assets	181,898	159,940
Amortisation of intangible assets	-	2,231
Fees paid to auditors for:		
- audit	7,950	8,600
- other services	3,045	11,365
	<u> </u>	<u> </u>

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,291,372	3,331,820
Social security costs	263,666	263,797
Pension costs	1,035,018	923,074
	<u> </u>	<u> </u>
	4,590,056	4,518,691
Agency staff costs	24,361	176,075
	<u> </u>	<u> </u>
	4,614,417	4,694,766
	<u> </u>	<u> </u>

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

12. Staff (continued)

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	67	60
Administration and support	107	131
Management	12	3
	<u>186</u>	<u>194</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	34	53
Administration and support	64	70
Management	11	3
	<u>109</u>	<u>126</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The Interim Finance Lead costs are invoiced directly from an independent company to the Trust. 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 £275,619 (2019 - £342,875).

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

13. Central services

The Academy has provided the following central services to its academies during the year:

- Strategic support
- Financial support

The Academy charges for these services on the following basis:

7% of General Annual Grant income (2019: 6%) and also a direct charge for staff functions, computer screens and legal and professional services.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Shaldon Primary School	117,041	34,512
Redhills Community Primary School	175,489	73,824
Galmpton Church of England Primary School	118,718	45,912
Collaton St Mary Church of England Primary School	125,722	46,560
Totnes St John's C of E Primary School	97,696	33,525
Total	634,666	234,333

14. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
C Weyman, CEO	Remuneration	90,000 -	80,000 -
		95,000	85,000
	Pension contributions paid	20,000 -	10,000 -
		25,000	15,000

During the year ended 31 August 2020, expenses totalling £306 were reimbursed or paid directly to 3 Trustees (2019 - £1,672 to 2 Trustees). The nature of the expenses reimbursed was mileage, finance meeting costs and a governance leadership course.

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

15. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and this cover is provided by Zurich. The cost for the year ended 31 August 2020 was £17,535 however this was 'All Risk Insurance' and hence it isn't possible to quantify the trustees' and officers' indemnity element from the overall cost of the insurance.

16. Intangible assets

	Computer software £
Cost	
At 1 September 2019	8,663
At 31 August 2020	<u>8,663</u>
Amortisation	
At 1 September 2019	8,663
At 31 August 2020	<u>8,663</u>
Net book value	
At 31 August 2020	<u><u>-</u></u>
At 31 August 2019	<u><u>-</u></u>

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

17. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	6,446,363	230,629	94,554	1,500	6,773,046
Additions	303,227	61,040	28,999	9,995	403,261
Disposals	-	-	-	(500)	(500)
At 31 August 2020	<u>6,749,590</u>	<u>291,669</u>	<u>123,553</u>	<u>10,995</u>	<u>7,175,807</u>
Depreciation					
At 1 September 2019	338,017	47,765	58,419	1,167	445,368
Charge for the year	110,757	41,895	26,663	2,583	181,898
On disposals	-	-	-	(500)	(500)
At 31 August 2020	<u>448,774</u>	<u>89,660</u>	<u>85,082</u>	<u>3,250</u>	<u>626,766</u>
Net book value					
At 31 August 2020	<u>6,300,816</u>	<u>202,009</u>	<u>38,471</u>	<u>7,745</u>	<u>6,549,041</u>
At 31 August 2019	<u>6,108,346</u>	<u>182,864</u>	<u>36,135</u>	<u>333</u>	<u>6,327,678</u>

The Academy Trust has been granted use of the school buildings for Collaton St Mary Church of England Primary School, Totnes St John Church of England Primary School and Galmpton Church of England Primary School, from the Diocese of Exeter under a Supplemental Agreement which grants the Academy Trust a license to occupy the land and buildings.

The Academy Trust's occupation for the period is recognisable as a notional donation (since it pays no actual rent) and a notional rental expense for its use of the premises. The value of the donation is the amount that the Academy Trust would otherwise have to pay to secure the premises for its operations, based on the rateable value of the buildings.

Where the Academy Trust has been granted use of the school buildings from the Diocese under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risk and rewards of ownership remain with the Diocese.

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18. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	64,494	75,396
Amounts owed by group undertakings	101,171	40,273
Other debtors	-	20,125
Prepayments and accrued income	314,954	356,986
Tax recoverable	63,604	77,975
	<u>544,223</u>	<u>570,755</u>

19. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	222,780	171,341
Other taxation and social security	54,573	-
Other creditors	72,891	139,270
Accruals and deferred income	158,937	163,132
	<u>509,181</u>	<u>473,743</u>

	2020 £	2019 £
Deferred income at 1 September 2019	78,074	83,591
Resources deferred during the year	77,678	78,074
Amounts released from previous periods	(78,074)	(83,591)
	<u>77,678</u>	<u>78,074</u>

Deferred income relates to funding for Universal Infant Free School Meals.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	17,862	214,527	(46,627)	-	-	185,762
Restricted general funds						
General Annual Grant	-	4,156,502	(4,156,924)	422	-	-
High Needs	-	168,980	(168,980)	-	-	-
Donations	-	25,602	(23,620)	-	-	1,982
Diocese Land and Building Rent	-	150,000	(150,000)	-	-	-
Pupil Premium	-	376,773	(376,773)	-	-	-
UIFSM	-	137,831	(137,831)	-	-	-
Other DfE/ESFA Grants	-	530,776	(512,076)	-	-	18,700
Other Restricted Income	485	175,082	(175,567)	-	-	-
Pension reserve	(2,531,000)	-	(379,000)	-	(25,000)	(2,935,000)
	<u>(2,530,515)</u>	<u>5,721,546</u>	<u>(6,080,771)</u>	<u>422</u>	<u>(25,000)</u>	<u>(2,914,318)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	6,052,016	-	(160,953)	-	-	5,891,063
Fixed assets purchased from GAG	29,973	-	(20,197)	22,868	-	32,644
DfE/ESFA Capital Grants	408,096	350,179	(17,474)	(34,016)	-	706,785
Other restricted funds	-	67,851	16,727	10,726	-	95,304
	<u>6,490,085</u>	<u>418,030</u>	<u>(181,897)</u>	<u>(422)</u>	<u>-</u>	<u>6,725,796</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total Restricted funds	3,959,570	6,139,576	(6,262,668)	-	(25,000)	3,811,478
Total funds	3,977,432	6,354,103	(6,309,295)	-	(25,000)	3,997,240

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20. Statement of funds (continued)

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

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

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

Donations - This represents expenditure from income donated to the school.

Diocese land and building rent - The MAT's occupation of property owned by the Diocese of Exeter for the period is recognisable as a notional donation and a notional rental expense.

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

UFSM - Funding received to enable all pupils in reception, year 1 and year 2 to be offered a free school meal.

Other DfE/ESFA grants - other forms of income with specific restrictions on its spending, such as Teachers' Pay Grant, Teachers' Pension Grant and TCAF etc.

Other restricted income - This represents other restricted income and expenditure that the Trust has incurred such as NLE and consultancy income.

EIG - This represents income and expenditure relating to the Education Improvement Grant.

Pension reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust.

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the trust from the Local Authority on conversion to an Academy Trust.

Fixed assets purchased from GAG - This represents fixed assets which were purchased from GAG and other restricted funding.

DfE/ESFA Capital Grants - This represents fixed assets which were purchased from other DfE/ESFA funding, e.g CIF and DFC.

Other restricted funds - This represents other restricted income and expenditure.

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.

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20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Shaldon Primary School	(16,961)	(3,501)
Redhills Community Primary School	103,389	53,160
Central	(402,512)	(420,703)
Galmpton Church of England Primary School	249,745	175,846
Collaton St Mary Church of England Primary School	370,965	236,253
Totnes St Johns	(98,182)	(22,708)
Total before fixed asset funds and pension reserve	206,444	18,347
Restricted fixed asset fund	6,725,796	6,490,085
Pension reserve	(2,935,000)	(2,531,000)
Total	3,997,240	3,977,432

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Central	402,512
Shaldon Primary School	16,961
Totnes St Johns	98,182

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20. Statement of funds (continued)

The Academy is taking the following action to return the academies to surplus:

Central deficit is due to the Trust establishing a Central functionality to encompass the Trust growing by at least two additional schools. This has already been partially achieved with Brixham Primary school joining the Trust on 1st September 2020 and it is envisaged that another school will join the Trust during Financial Year 2020-21.

The deficit performance within Totnes school has been due to the additional investment the Trust has needed to put into the schools, education provision, that has been necessary to reverse the historic Inadequate Ofsted assessment of the school. This assessment has also in the short to medium term effected the level of Pupil placements which the current level of investment and improvement in the Educational provision has started to reverse.

The deficit within Shaldon has arisen because the Trust undertook a staffing re-structure in 2019/20 and Shaldon is now starting to show the benefits of this with staff costs in the school now showing the lowest percentage in the Trust at 72.2%. Management accounts at the end of October 2020 are showing the school beginning to build a surplus as budgeted.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Shaldon Primary School	597,617	35,812	53,525	148,337	835,291	914,033
Redhills Community Primary School	919,623	109,260	39,888	194,101	1,262,872	1,553,339
Central	496,703	145,748	81,516	469,340	1,193,307	750,547
Galmpton Church of England Primary School	548,994	111,905	47,783	104,214	812,896	876,180
Collaton St Mary Church of England Primary School	578,122	107,726	28,810	136,462	851,120	972,339
Totnes St Johns	534,540	71,006	42,844	144,522	792,912	812,294
Academy	3,675,599	581,457	294,366	1,196,976	5,748,398	5,878,732

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds	56,316	399,324	(467,135)	29,357	-	17,862
Restricted general funds						
General Annual Grant	-	4,104,316	(4,074,959)	(29,357)	-	-
High Needs	-	168,483	(168,483)	-	-	-
Donations	-	15,295	(15,295)	-	-	-
Diocese Land and Building Rent	-	150,000	(150,000)	-	-	-
Pupil Premium	-	350,481	(350,481)	-	-	-
Devolved Formula Capital	28,296	32,633	(53,240)	(7,689)	-	-
UIFSM	-	135,826	(135,826)	-	-	-
Other DfE/ESFA Grants	5,000	267,347	(272,347)	-	-	-
Educational Trips	-	53,998	(53,998)	-	-	-
Other Restricted Income	-	103,134	(95,827)	(7,307)	-	-
EIG	-	40,000	(21,325)	(18,190)	-	485
Pension reserve	(1,336,000)	-	(764,000)	-	(431,000)	(2,531,000)
	<u>(1,302,704)</u>	<u>5,421,513</u>	<u>(6,155,781)</u>	<u>(62,543)</u>	<u>(431,000)</u>	<u>(2,530,515)</u>
Restricted fixed asset funds						
Fixed assets transferred on conversion	6,118,535	-	(66,519)	-	-	6,052,016

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20. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Fixed assets purchased from GAG	43,383	-	(13,410)	-	-	29,973
DfE/ESFA Capital Grants	68,110	369,044	(62,244)	33,186	-	408,096
	<u>6,230,028</u>	<u>369,044</u>	<u>(142,173)</u>	<u>33,186</u>	<u>-</u>	<u>6,490,085</u>
Total Restricted funds	<u>4,927,324</u>	<u>5,790,557</u>	<u>(6,297,954)</u>	<u>(29,357)</u>	<u>(431,000)</u>	<u>3,959,570</u>
Total funds	<u>4,983,640</u>	<u>6,189,881</u>	<u>(6,765,089)</u>	<u>-</u>	<u>(431,000)</u>	<u>3,977,432</u>

21. 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	-	-	6,549,041	6,549,041
Current assets	185,762	529,863	176,755	892,380
Creditors due within one year	-	(509,181)	-	(509,181)
Provisions for liabilities and charges	-	(2,935,000)	-	(2,935,000)
Total	<u>185,762</u>	<u>(2,914,318)</u>	<u>6,725,796</u>	<u>3,997,240</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	6,327,678	6,327,678
Current assets	17,862	474,228	162,407	654,497
Creditors due within one year	-	(473,743)	-	(473,743)
Provisions for liabilities and charges	-	(2,531,000)	-	(2,531,000)
Total	17,862	(2,530,515)	6,490,085	3,977,432

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

	2020 £	2019 £
Net income/(expenditure) for the period (as per Statement of financial activities)	44,808	(575,208)
Adjustments for:		
Amortisation	-	2,231
Depreciation	181,898	159,940
Capital grants from DfE and other capital income	(389,417)	(369,044)
Interest receivable	(121)	(138)
Defined benefit pension scheme obligation inherited	-	365,000
Defined benefit pension scheme cost less contributions payable	332,000	358,000
Defined benefit pension scheme finance cost	47,000	41,000
Decrease in debtors	59,988	523
(Decrease)/increase in creditors	(87,236)	7,314
Net cash provided by/(used in) operating activities	188,920	(10,382)

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23. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	121	138
Purchase of tangible fixed assets	(280,587)	(180,472)
Capital grants from DfE Group	355,961	185,886
Net cash provided by investing activities	75,495	5,552

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	348,157	83,742
Total cash and cash equivalents	348,157	83,742

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	83,742	264,415	348,157
	83,742	264,415	348,157

26. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements	369,143	177,407

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27. 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 2016.

Contributions amounting to £72,891 were payable to the schemes at 31 August 2020 (2019 - £nil) and are included within creditors.

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.

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27. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £445,299 (2019 - £296,786).

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.

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 £344,000 (2019 - £329,000), of which employer's contributions totalled £267,000 (2019 - £253,000) and employees' contributions totalled £77,000 (2019 - £76,000). The agreed contribution rates for future years are 15.4 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.25	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.65	1.90
Inflation assumption (CPI)	2.25	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

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(132)	(115)
Discount rate -0.1%	136	118
Mortality assumption - 1 year increase	171	158
Mortality assumption - 1 year decrease	(165)	(152)
CPI rate +0.1%	128	108
CPI rate -0.1%	(125)	(105)

Share of scheme assets

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

	2020 £	2019 £
Equities	1,200,000	1,093,000
Gilts	71,000	66,000
Other bonds	95,000	34,000
Property and infrastructure	241,000	229,000
Cash	23,000	24,000
Target return portfolio and alternative assets	381,000	352,000
Private equity	-	33,000
Total market value of assets	2,011,000	1,831,000

The actual return on scheme assets was £8,000 (2019 - £84,000).

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

	2020 £	2019 £
Current service cost	(599,000)	(561,000)
Past service cost	-	(50,000)
Interest income	37,000	40,000
Interest cost	(83,000)	(80,000)
Administrative expenses	(1,000)	(1,000)
Transfer in on existing schools joining the Academy Trust	-	(365,000)
Total amount recognised in the Statement of financial activities	(646,000)	(1,017,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	4,362,000	2,482,000
Transferred in on existing academies joining the trust	-	674,000
Current service cost	599,000	561,000
Interest cost	83,000	80,000
Employee contributions	77,000	76,000
Actuarial (gains)/losses	(84,000)	475,000
Benefits paid	(91,000)	(36,000)
Past service costs	-	50,000
At 31 August	4,946,000	4,362,000

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

	2020 £	2019 £
At 1 September	1,831,000	1,146,000
Transferred in on existing academies joining the trust	-	309,000
Interest income	37,000	40,000
Actuarial (losses)/gains	(109,000)	44,000
Employer contributions	267,000	253,000
Employee contributions	77,000	76,000
Benefits paid	(91,000)	(36,000)
Administration expenses	(1,000)	(1,000)
At 31 August	2,011,000	1,831,000

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**NOTES TO THE FINANCIAL STATEMENTS
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28. 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	33,148	38,522
Later than 1 year and not later than 5 years	29,211	62,359
	<u>62,359</u>	<u>100,881</u>

29. 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.

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.