

**THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

**THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

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THE ACADEMY FOR CHARACTER AND EXCELLENCE
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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|---|
| Members | T Falcao G Golder (Representing Marjon) A Church P Gray (Representing EDEN) |
| Trustees | T Falcao, Chair of Trustees (until 01/01/2019) (resigned 1 January 2019) M Cousins (resigned 28 February 2019) C Weyman, CEO (appointed 28 February 2019) ¹ J Gater E Hibberd, Chair of Trustees (from 01/01/2019) (appointed 1 January 2019) S C Girling (resigned 11 July 2019) A Slader R Willoughby ¹ P Mantell M Haskell (appointed 18 April 2019) ¹ ¹ Finance Committee |
| Company registered number | 10098444 |
| Company name | The Academy for Character and Excellence |
| Principal and registered office | Shaldon Primary School Bridge Road Shaldon Teignmouth Devon TQ14 0DD |
| Accounting Officer | C Weyman |
| Trust Leadership Team | C Weyman, CEO C Platt, Director of Education M Cornfield, Director of Finance and Operations R Ridgway, Trust Business Manager W Parr, Trust Safeguarding and Inclusion Lead |
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS |

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

Solicitors

Michelmores LLP
Woodwater House
Pynes Hill
Exeter
Devon
EX2 HWR

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

Bankers

Lloyds Bank plc
234 High Street
Exeter
Devon
EX4 3NL

**THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

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

The Trust operates 5 primary academies in Devon – Shaldon Primary, Redhills Primary, Collaton St. Mary CofE Primary, Galmpton CofE Primary and Totnes St. John's CofE Primary. The academies have a combined pupil capacity of 1,258 and had a roll of 1,123 (excluding the pre-school) in the school census completed in October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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.

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

Members' liability

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

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

| | |
|--|-----------|
| Percentage of pay bill spent on facility time | £ |
| Total cost of facility time | - |
| Total pay bill | 4,518,691 |
| Percentage of total pay bill spent on facility time | - % |

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

Paid trade union activities

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

TRUSTEES

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.

Responsibilities

The Trustees are responsible for the general control of the Trust in accordance with the provisions set out in the Articles of Association and the Scheme of Delegation. The Board of Trustees is the accountable body for the performance of all schools within the Trust and, as such, must:

1. Ensure clarity of vision, ethos and strategic direction;
2. Hold the CEO to account for the educational performance of the school and their pupils, and the performance managements of staff; and
3. Oversee the financial performance of the Trust, ensuring financial probity and value for money.

Policies and Procedures 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.

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

The Trust also encourages all Trustees to attend specific Trustee training which is currently provided by 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.

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 and 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

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

timescale. There is a Finance Committee which includes an audit remit, a Health and Safety Committee 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:

- There is a Governing body at Shaldon and Redhills which meets up to 6 times per annum.
- There is a Joint Governing body at Collaton and Galmpton which meets 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 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 Director).

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 and Operations.

The Trust Leadership Team: The CEO, Director of Education, Director of Finance and Operations, the Trust Business Manager and the Trust Safeguarding and Inclusion Lead.

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

The Central Services Team comprises of the Director of Finance and Operations, the Trust Business Manager, The Trust HR Officer and the Trust Finance Officer.

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 and Operations 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.

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 management and executive personnel is reviewed annually by the Trustees and an external consultant having regard to a number of factors including performance.

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

The Trustees benchmark against pay levels in other Academies 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.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of The Academy for Character and Excellence.

OBJECTIVES AND ACTIVITIES

Objects and Activities

As a charitable trust, 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.

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 values-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

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**TRUSTEES' REPORT (CONTINUED)
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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.

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 Strategic Plan 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-negotiables.
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's performance data which oversight is supported by local committees.

In 2018/19 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.

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 lettings 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.

STRATEGIC REPORT

Achievements and performance and key performance indicators

Performance of the Trust

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

| | 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 | | | | |
|-------------------|----------|----------|---------|------------------|
| Collaton St. Mary | Galmpton | Redhills | Shaldon | Totnes St.John's |
| 96.8% | 96.19% | 95% | 97.41% | 96% |

| End KS2 (Y6) | Reading | | | | | | Writing | | | | | | Maths | | | | | |
|-----------------|----------------------|----------|---------------|----------|----------------------|----------|----------------------|----------|---------------|----------|----------------------|----------|---------------|----------|----------------------|----------|--------|----------|
| | Achievement | | | | | | Achievement | | | | | | Achievement | | | | | |
| | % EXP level or above | | % at GD level | | Average Scaled Score | | % EXP level or above | | % at GD level | | % EXP level or above | | % at GD level | | Average Scaled Score | | | |
| | School | National | School | Nat 2018 | School | National | School | National | School | Nat 2018 | School | National | School | National | School | National | School | National |
| Collaton | 87 | | 45 | | 108.6 | | 94 | | 23 | | 90 | | 45 | | 108.9 | | | |
| Galmpton | 91 | | 33 | | 107.2 | | 91 | | 21 | | 97 | | 36 | | 107.7 | | | |
| Redhills | 69 | 73% | 28 | 28% | 103.9 | 104 | 79 | 78% | 26 | 20% | 80 | 79% | 31 | 24% | 105.1 | | | |
| Shaldon | 90 | | 37 | | 106.3 | | 97 | | 37 | | 100 | | 40 | | 108.1 | | | |
| TSJ | 83 | | 27 | | 105 | | 85 | | 15 | | 85 | | 23 | | 105 | | | |

| KS2 (Y6) | Combined RWM | | Achievement | | KS1 - KS2 | Progression - Reading | | Progression - Writing | | Progression - Maths | |
|----------|----------------------|----------|---------------|----------|-----------|-----------------------|----------|-----------------------|----------|---------------------|----------|
| | % EXP level or above | | % at GD level | | | Progression measure | | Progression measure | | Progression measure | |
| | School | National | School | Nat 2018 | | School | National | School | National | School | National |
| | | | | | | | | | | | |
| Collaton | 84 | 65% | 19 | 9% | Collaton | 3.2 | 0 | 2.1 | 0 | 3.1 | 0 |
| Galmpton | 85 | | 12 | | 1.4 | -0.2 | | 1.4 | | | |
| Redhills | 64 | | 18 | | -0.2 | 1.1 | | 1 | | | |
| Shaldon | 90 | | 30 | | 0.2 | 2 | | 1.7 | | | |
| TSJ | 73 | | 12 | | TSJ | 1.2 | | 0.9 | | 0.9 | |

| End KS1 (Y2) | Reading | | | | Writing | | | | Maths | | | |
|-----------------|----------------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|----------------------|---------------|---------------|---------------|
| | Achievement | | | | Achievement | | | | Achievement | | | |
| | % EXP level or above | | % at GD level | | % EXP level or above | | % at GD level | | % EXP level or above | | % at GD level | |
| | School | National 2018 | School | National 2018 | School | National 2018 | School | National 2018 | School | National 2018 | School | National 2018 |
| Collaton | 90 | | 40 | | 80 | | 10 | | 90 | | 20 | |
| Galmpton | 87 | | 43 | | 87 | | 40 | | 87 | | 47 | |
| Redhills | 82 | 75 | 17 | 26 | 81 | 70 | 14 | 16 | 81 | 76 | 17 | 22 |
| Shaldon | 97 | | 40 | | 94 | | 30 | | 97 | | 37 | |
| TSJ | 83 | | 25 | | 75 | | 8 | | 67 | | 33 | |

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| Phonics | % meeting threshold by end year 1 | | % meeting threshold by end year 2 | | EYFS | Achievement | |
|----------|-----------------------------------|---------------|-----------------------------------|---------------|----------|-------------|---------------|
| | | | | | | % at GLD | |
| | | National 2018 | | National 2018 | | | National 2018 |
| | School | | School | | | | |
| Collaton | 90 | 83 | 100 | 92 | Collaton | 79 | 75% |
| Galmpton | 93 | | 100 | | Galmpton | 83 | |
| Redhills | 70 | | 92 | | Redhills | 73 | |
| Shaldon | 97 | | 100 | | Shaldon | 87 | |
| TSJ | 85 | | 100 | | TSJ | 75 | |

Other achievements across the Trust:

As a Trust, 2018/19 produced combined KS2 results which were well above national for all key stages at 79%. KS1 also produced strong results with a combined of 81%.

Phonics results continue to be strong with a Trust combined percentage of 83%.

The gap for disadvantaged children has been closed in writing and mathematics at KS2.

The Trust entered into a management partnership with Totnes St. John's in July 2018 with the school formally converting under a Directive Academy Order in December 2018. Outcomes have significantly risen with end of KS2 outcomes at 85% Reading, 85% writing, 85% maths (73% combined).

In February 2019, Redhills Primary achieved a good OFSTED. The report recognised that the Trust had taken swift action to address a dip in the school and turbulence in staffing. The school was judged as providing a good quality of education with leaders and governors having "an unwavering commitment and strong capacity to continue to improve the school." The report confirmed that the school is on track and the impact of school improvement strategies ensured the school continues to make good progress.

The Trust entered into two management partnerships in 2018/19 with both schools expecting to convert into the Trust in 2019/20.

Future developments

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

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In the period under review £17,862 (2018 - £56,316) of free reserves were carried forward. Other key performance indicators are as follows:

Maximise pupil numbers at Totnes St.John's:

- Continue to improve standards with ambitious targets building on the significant improvements made in 2018/19.
- Develop close links with the community through the development of a Character Education Curriculum.
- Continue to build links with the local Church.
- Continue to build links with the on-site pre-school.
- Further developing the school grounds as a strong USP.

Schools to achieve either a good or outstanding OFSTED inspection.

- Development of a knowledge rich Character Education curriculum.

Pupil attainment and progress at least in line with the top 10% nationally.

- Ambitious targets set for all schools to achieve this KPI.
- Tracking targets through termly reviews, risk assessment of data.

Going Concern

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

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes.

The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the period ended 31 August 2019, excluding restricted fixed asset, DFC, EIG and pension reserves the Academy Trust received total income of £5,784,204 (2018 - £4,316,328) and incurred total expenditure of £5,784,351 (2018 - £4,250,516). The excess of expenditure over income for the year excluding restricted fixed asset, DFC and EIG funds and pension reserves but after a £7,307 (2018 - £22,722) transfer to restricted fixed asset funds was £43,454 (2018 - excess of income over expenditure was £54,253).

At 31 August 2019 the net book value of tangible fixed assets was £6,327,678 (£6,227,797 as at 31 August 2018) and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Certain land, buildings and other assets were transferred to the Academy upon conversion. A professional valuation of the land and buildings was not undertaken for the purposes of these financial statements and they have therefore been included in the financial statements at a best estimate, taking into account the size of the property and valuations for similar Academies. A desk top valuation by the ESFA will be undertaken to give a more accurate valuation of land and buildings for the year ended 31 August 2020. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the new schools' budget share is transferred to the Academy upon conversion – in 2017-18, this amounted to Galampton Primary (£147,605) and Collaton St Mary CofE Primary (£125,816). These balances were included as £273,421 Unrestricted income. In 2018-19, this amounted to £19,816 for Totnes St Johns CofE Primary all of which related to Devolved Formula Capital.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Strategic Board, the Trust Finance Committee, Headteachers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees will review the reserve levels of the Academy Trust annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees will take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review. In the interim the Trustees consider a figure that equates to one month's normal expenditure plus any further amounts that need to be set aside for specific projects as identified in the academy development plan is appropriate. This equates to a figure in the region of £523k. The current level of free reserves as at 31 August 2019 stood at £17,862 (£56,316 as at 31 August 2018), are significantly below this and the Academy Trust will look to build this figure as resources permit.

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

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

Investment Policy

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

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme.

Day to day management of the surplus funds is delegated to the CEO and Director of Finance and Operations within strict guidelines approved by the Board of Trustees.

Principal Risks And Uncertainties

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

The principal risks and uncertainties facing the Academy 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 student success and achievement are closely monitored and reviewed.

Safeguarding and child protection

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

Staffing

The success of the Academy 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 will be reviewed and updated on a regular basis by the Trust Finance Committee and the Trust Leadership Team. The Finance Committee will report back to the Strategic Board.

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

**THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

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

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.

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.

PLANS FOR FUTURE PERIODS

The vision is for educational excellence within a sustainable and viable trust.

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.

In 2019/20 the aim is to embark on a period of consolidation to sustainably embed systems and skill sets whilst growing the Trust from 5 to 7 schools.

Strategic goals 2019/20:

- A. Establish excellence in character education across the Trust through the development of a deep learning curriculum.
- B. Talent Management: establish a culture of learning for all through targeted professional development.
- C. High performance Trust Leadership and governance.
- D. Promotion of the Trust vision to parents and the wider community.
- E. Ensure that the schools operate effectively enabling them to achieve their goals.
- F. Ensure the Trust is financially viable.
- G. Ensure that the Trust continues to develop excellences in its Church Schools.

GAG POOLING

In 2018/19, the board made the decision that the Trust will pool its GAG funding from 1st September 2019. The rationale for this decision is to enable the Trust to fulfil its mission of Excellence through Cultivating Character, Sharing Talents and Pursuing Innovation. It will enable a more strategic and targeted approach to improving outcomes for pupils. The pooling will enable the Trust to ensure alignment of schools and equality of opportunity for all pupils. This alignment will be maximised through the co-construction of Trust priorities such as the development of a Character Education curriculum fulfilling the Trust mission. The Trust aims to become an employer of choice through the development of a strong and proactive School Improvement Strategy which focuses on recruiting, developing, managing and tracking talent. Pooling will enable the Trust to maximise funding and ensure a flexible approach to prioritisation of needs.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

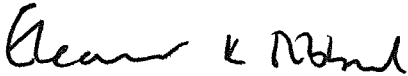
In so far as the Trustees are aware:

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

AUDITORS

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

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 17 December 2019 and signed on the board's behalf by:



E Hibberd
Chair of Trustees

**THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

Scope of responsibility

As Board of 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.

The Board of Trustees has delegated the day-to-day responsibility to C 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. She is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Accountabilities and Responsibilities:

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 (Totnes only):-

- 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
- 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.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

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

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| T Falcao, Chair of Trustees (until 01/01/2019) | 2 | 2 |
| M Cousins | 3 | 3 |
| C Weyman, CEO | 5 | 5 |
| J Gater | 5 | 5 |
| E Hibberd, Chair of Trustees (from 01/01/2019) | 3 | 3 |
| S C Girling | 4 | 5 |
| A Slader | 3 | 5 |
| R Willoughby, Vice Chair | 4 | 5 |
| P Mantell | 4 | 5 |
| M Haskell | 2 | 2 |

GOVERNANCE STATEMENT (CONTINUED)

Governance (CONTINUED)

E Hibberd was appointed as a Trustee and the Chair of the Board on the 1st January 2019.
M Haskell was appointed on the 18th April 2019 and is also Chair of the Trust Finance Committee.
M Cousins resigned as a Trustee on the 28th February 2019.
T Falcao resigned as a Trustee and the Chair of the Board on the 1st January 2019.
S C Girling resigned as a Trustee on the 11th July 2019.

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.

This year there has been a review of governance within the Trust. This has included the Scheme of Delegation, 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 also reviewed the accountability of Trustees and governors and reflected this in the Scheme of Delegation. As a result of this exercise, the 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.

Quality of Data

The board uses the following data:

- High level data dashboards for performance; HR and Safeguarding;
- Management accounts and benchmarking;
- CEO reports;
- Portfolio reports;
- Headteacher reports and minutes of local committee meetings.

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.

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 this Director and is also attended by the CEO (also Accounting Officer), 1 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 uses a portfolio basis to ensure that all other important areas are scrutinised appropriately. These portfolios are "owned" by the Trustees who also involve the appropriate Governor(s) in meetings. The current portfolio setup is as follows:

GOVERNANCE STATEMENT (CONTINUED)

Governance (CONTINUED)

| Portfolio | Key Director responsibilities | Key Governor responsibilities |
|--------------------------|--|--|
| Curriculum and Standards | <p>Ultimate accountability for schools' performance e.g. Data dashboard, OFSTED outcomes.</p> <p>Broad and balanced curriculum.</p> <p>Attend Data Group Meetings periodically</p> | <p>How well is my school doing?</p> <p>Performance of specific year groups, cohorts and groups.</p> <p>Ensuring school curriculum meets the needs of its context and is broad and balanced.</p> <p>Knowledge of Ofsted requirements - are we Ofsted ready?</p> |
| Finance | <p>Financial probity; use of shared services.</p> <p>Audit and approve financial trust budget; approve large capital and contract spends; investments and bids.</p> <p>Receiving the audits and approving the action plans.</p> <p>Financial benchmarking.</p> <p>Chair of Finance Committee</p> | <p>Not held a Local Committee level as authority has been delegated to the Trust Finance Committee as per the Terms of Reference.</p> |
| HR | <p>CEO, TLT appointments.</p> <p>Headteacher delegated to TLT Board with agreed directors.</p> | <p>Not held at Local Committee level</p> |

GOVERNANCE STATEMENT (CONTINUED)

Governance (CONTINUED)

| Portfolio | Key Director responsibilities | Key Governor responsibilities |
|---------------------------|---|--|
| Ethos and Distinctiveness | <p>Strategic plan for the MAT.</p> <p>Strategic Board ensuring distinctiveness of MAT in line with Vision Statement.</p> <p>Christian distinctiveness maintained in line with the Church of England's Vision Statement</p> | <p>Ethos/vision ensuring distinctiveness of school context in line with mission statement and values.</p> <p>Progress of school towards School Development Plan.</p> |
| Community partnerships | <p>National partnerships e.g. RSC, Audit Commission, Character Association.</p> <p>MAT admissions policy</p> <p>Stage 2 complaints</p> | <p>Business partners</p> <p>Local management of admissions and appeals.</p> <p>Complaints</p> <p>Welfare of pupils including reporting of incidents of racism and bullying.</p> <p>Parental views and suggestions</p> |
| Safeguarding | <p>Independent investigations where senior staff allegations occur.</p> <p>Audit of Safeguarding reports.</p> <p>Overview on policy and receive data for analysis including Pupil Premium</p> <p>Overview on SEND</p> <p>Attend Trust Safeguarding meetings when required</p> | <p>Implementation of Safeguarding policy.</p> <p>Discuss SEND issues/progress</p> <p>To monitor provision and its impact on looked after children.</p> <p>Exclusions and behaviour issues.</p> <p>Make recommendations on policy changes</p> <p>Review and analyse data before submission to Trust Leadership Team / Strategic Board</p> |

GOVERNANCE STATEMENT (CONTINUED)

Governance (CONTINUED)

| Portfolio | Key Director responsibilities | Key Governor responsibilities |
|--------------------------------|--|-----------------------------------|
| Premises and Health and Safety | <p>Overview of premises including monitoring of reports to ensure the MAT is fulfilling its statutory obligations.</p> <p>Overview on H&S issues across the Trust</p> <p>Involvement with large projects Trust wide and overview on schedule of works.</p> | Not held at Local Committee level |

The Director of Finance and Operations prepares monthly management accounts (including a variance analysis, narrative and key ratio analysis) for the Trust and the individual schools and has also attended Board meetings to present the Financial position.

The Trust has incorporated the Church of England's vision for Education which aligns completely with the Trust's vision and this will only help to improve practices and procedures over the coming months and years.

As noted above the Trust Finance Committee was re-established during the year.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| M Haskell (Director - Chair of the Committee) | 2 | 2 |
| R Willoughby (Director) | 2 | 2 |
| C Weyman (CEO and Accounting Officer) | 2 | 2 |
| M Cornfield (Director of Finance) | 2 | 2 |

In addition, the Chair of the Strategic Board who has an open invitation to attend the Finance Committee meetings, attended 1 meeting.

The Terms of Reference for the Finance Committee were reviewed and adopted by the committee on the 2nd May 2019.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Academy for Character and Excellence for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees did appoint Bishop Fleming, the external auditor, to perform additional checks and 2 visits were carried out during the period 1 September 2018 to 31 August 2019.

The Trust also had the Integrated Curriculum Financial Planning audit carried out during the period 1 September 2018 to 31 August 2019.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

In particular, the checks carried out in the current period included:

- income;
- payroll;
- IT procedures;
- bank and petty cash;
- expenditure including card payments;
- fixed assets;
- compliance;
- strategic and operational review;
- budget and financial monitoring; and
- governance

On a semi-annual basis, the external 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.

Review of effectiveness

As Accounting Officer, C 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 work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

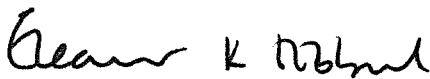
**THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

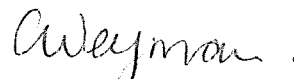
Review of effectiveness (CONTINUED)

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 on 17 December 2019 and signed on their behalf by:



E Hibberd
Chair of Trustees



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 Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



C Weyman
Accounting Officer

Date: 17 December 2019

**THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

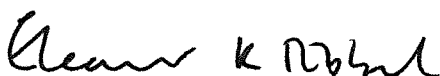
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



E Hibberd
Chair of Trustees

Date: 17 December 2019

**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 trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust 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 Trust'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 and financial statements, 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 Trust 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.

**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 Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

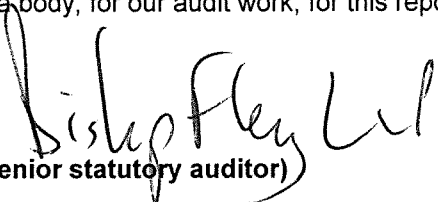
Auditors' responsibilities for the audit of the financial statements

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 Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Borton FCA DChA (Senior statutory auditor)

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

Date:

23 December 2019

**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 19 January 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Academy for Character and Excellence during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Academy for Character and Excellence and the 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 17 May 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

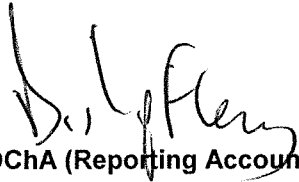
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Borton FCA DChA (Reporting Accountant)

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

Date:

23 Dec 2019

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 2019

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 4 | 1,838 | 219,293 | 369,044 | 590,175 | 250,957 |
| Charitable activities | 5 | 300,020 | 5,152,899 | - | 5,452,919 | 4,127,804 |
| Other trading activities | | 97,328 | 49,321 | - | 146,649 | 46,513 |
| Investments | 8 | 138 | - | - | 138 | 118 |
| TOTAL INCOME | | 399,324 | 5,421,513 | 369,044 | 6,189,881 | 4,425,392 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities | | 467,135 | 5,810,597 | 162,173 | 6,439,906 | 4,966,861 |
| Transfer from Local Authority on conversion | | - | 345,184 | (20,000) | 325,184 | 129,079 |
| TOTAL EXPENDITURE | | 467,135 | 6,155,781 | 142,173 | 6,765,089 | 5,095,940 |
| NET INCOME/ (EXPENDITURE) | | (67,811) | (734,268) | 226,871 | (575,208) | (670,548) |
| Transfers between funds | 21 | 29,357 | (62,543) | 33,186 | - | - |
| NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES) | | (38,454) | (796,811) | 260,057 | (575,208) | (670,548) |
| OTHER RECOGNISED GAINS/(LOSSES): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 28 | - | (431,000) | - | (431,000) | 349,000 |
| NET MOVEMENT IN FUNDS | | (38,454) | (1,227,811) | 260,057 | (1,006,208) | (321,548) |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 56,316 | (1,302,704) | 6,230,028 | 4,983,640 | 5,305,188 |
| Net movement in funds | | (38,454) | (1,227,811) | 260,057 | (1,006,208) | (321,548) |
| TOTAL FUNDS CARRIED FORWARD | | 17,862 | (2,530,515) | 6,490,085 | 3,977,432 | 4,983,640 |

**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 2019**

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

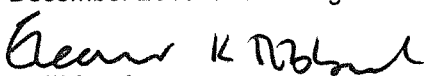
The notes on pages 34 to 64 form part of these financial statements.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10098444

BALANCE SHEET
AS AT 31 AUGUST 2019

| | Note | 2019 £ | 2018 £ |
|--|------|--------------------|-------------|
| FIXED ASSETS | | | |
| Intangible assets | 16 | - | 2,231 |
| Tangible assets | 17 | 6,327,678 | 6,227,797 |
| | | 6,327,678 | 6,230,028 |
| CURRENT ASSETS | | | |
| Debtors | 18 | 570,755 | 388,120 |
| Cash at bank and in hand | | 83,742 | 88,571 |
| | | 654,497 | 476,691 |
| Creditors: amounts falling due within one year | 19 | (473,743) | (387,079) |
| NET CURRENT ASSETS | | 180,754 | 89,612 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 6,508,432 | 6,319,640 |
| NET ASSETS EXCLUDING PENSION LIABILITY | | 6,508,432 | 6,319,640 |
| Defined benefit pension scheme liability | 28 | (2,531,000) | (1,336,000) |
| TOTAL NET ASSETS | | 3,977,432 | 4,983,640 |
| FUNDS OF THE ACADEMY TRUST | | | |
| Restricted funds: | | | |
| Fixed asset funds | 21 | 6,490,085 | 6,230,028 |
| Restricted income funds | 21 | 485 | 33,296 |
| | | 6,490,570 | 6,263,324 |
| Restricted funds excluding pension asset | 21 | 6,490,570 | 6,263,324 |
| Pension reserve | 21 | (2,531,000) | (1,336,000) |
| Total restricted funds | 21 | 3,959,570 | 4,927,324 |
| Unrestricted income funds | 21 | 17,862 | 56,316 |
| TOTAL FUNDS | | 3,977,432 | 4,983,640 |

The financial statements on pages 30 to 64 were approved by the Trustees, and authorised for issue on 17 December 2019 and are signed on their behalf, by:


E Hibberd
Chair of Trustees

The notes on pages 34 to 64 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 2019**

| | Note | 2019 £ | 2018 £ |
|---|-------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash used in operating activities | 23 | (10,381) | (17,697) |
| CASH FLOWS FROM INVESTING ACTIVITIES | 24 | 5,552 | 31,943 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | (4,829) | 14,246 |
| Cash and cash equivalents at the beginning of the year | | 88,571 | 74,325 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 25 | 83,742 | 88,571 |

The notes on pages 34 to 64 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 2019**

1. GENERAL INFORMATION

The Academy for Character and Excellence is a company limited by guarantee, incorporated in England and Wales. The registered office is Shaldon Primary School, Bridge Road Shaldon, Teignmouth, Devon, EX4 2BY.

2. ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

A wholly owned subsidiary company, ACE Enhanced Services Limited (AES), was incorporated on 26 January 2017 with the intention that this company would operate preschools on the Academy Trust sites. However, having regard to the level and the nature of activity and balances in AES up to 31 August 2019, 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

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

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

2. ACCOUNTING POLICIES (continued)

2.3 INCOME (CONTINUED)

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the Balance 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 provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Transfer on conversion - Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

2.4 INTEREST RECEIVABLE

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

2.5 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.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 INTANGIBLE ASSETS

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on

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

2. ACCOUNTING POLICIES (continued)

2.6 INTANGIBLE ASSETS (CONTINUED)

a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

| | |
|----------|-----------|
| Software | - 3 years |
|----------|-----------|

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.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for certain land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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 of these assets, less their estimated residual value, over their expected useful lives 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 | - 33% straight line |

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

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

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.

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

2. ACCOUNTING POLICIES (continued)

2.7 TANGIBLE FIXED ASSETS (CONTINUED)

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

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 and cash on deposit that has a notice period of less than 30 days.

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 Trust 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.

2.11 FINANCIAL INSTRUMENTS

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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. Amounts due from the Charity's wholly owned subsidiary are held at face value less impairment.

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. Amounts due to the Charity's wholly owned subsidiary are held at face value less impairment.

2.12 TAXATION

The Academy Trust 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 Trust 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.

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

2. ACCOUNTING POLICIES (continued)

2.13 PENSIONS

Retirement benefits to employees of the Academy Trust 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 Trust 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to 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.

2.14 FUND ACCOUNTING

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

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

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

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

2.15 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Totnes St John's Church of England Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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

2. ACCOUNTING POLICIES (continued)

2.15 CONVERSION TO AN ACADEMY TRUST (CONTINUED)

Further details of the transaction are set out in note 26.

2.16 OPERATING LEASES

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

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)

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

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-------------------|--|--|---------------------------------------|---------------------------------------|
| Donations | 1,838 | 219,293 | 221,131 | 154,726 |
| Capital Grants | - | 369,044 | 369,044 | 96,231 |
| TOTAL 2019 | <u>1,838</u> | <u>588,337</u> | <u>590,175</u> | <u>250,957</u> |
| TOTAL 2018 | <u>15,643</u> | <u>235,314</u> | <u>250,957</u> | |

5. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-----------------------|--|--|---------------------------------------|---------------------------------------|
| Income from education | 154,114 | 5,152,899 | 5,307,013 | 3,992,402 |
| Income from nursery | 145,906 | - | 145,906 | 135,402 |
| TOTAL 2019 | <u>300,020</u> | <u>5,152,899</u> | <u>5,452,919</u> | <u>4,127,804</u> |
| TOTAL 2018 | <u>201,410</u> | <u>3,926,394</u> | <u>4,127,804</u> | |

**THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

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

6. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONONAL OPERATIONS

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA GRANTS | | | | |
| General Annual Grant | - | 4,097,230 | 4,097,230 | 3,017,245 |
| Start up Grants | - | 50,000 | 50,000 | 303,779 |
| Other DfE Group grants | - | 706,120 | 706,120 | 469,263 |
| | - | 4,853,350 | 4,853,350 | 3,790,287 |
| Other Government grants | | | | |
| High Needs | - | 168,483 | 168,483 | 103,848 |
| Other government grants non capital | - | 129,854 | 129,854 | - |
| | - | 298,337 | 298,337 | 103,848 |
| Other funding | | | | |
| Catering income | 71,531 | - | 71,531 | 59,338 |
| Sales to students | 617 | - | 617 | 1,000 |
| Other | 81,966 | 1,212 | 83,178 | 37,929 |
| | 154,114 | 1,212 | 155,326 | 98,267 |
| TOTAL 2019 | 154,114 | 5,152,899 | 5,307,013 | 3,992,402 |
| TOTAL 2018 | 66,008 | 3,926,394 | 3,992,402 | |

7. INCOME FROM OTHER TRADING ACTIVITIES

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|----------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Lettings | 25,080 | - | 25,080 | 2,460 |
| Other trading income | 1,571 | - | 1,571 | 277 |
| Consultancy | - | 49,321 | 49,321 | 2,834 |
| Fees received | 70,677 | - | 70,677 | 40,942 |
| TOTAL 2019 | 97,328 | 49,321 | 146,649 | 46,513 |

**THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

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

8. INVESTMENT INCOME

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---------------|--|---------------------------------------|---------------------------------------|
| Bank Interest | 138 | 138 | 118 |

All prior year income related to unrestricted funds.

9. EXPENDITURE

| | Staff Costs 2019 £ | Premises 2019 £ | Other 2019 £ | Total 2019 £ | Total 2018 £ |
|-------------------------|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| EDUCATION: | | | | | |
| Direct costs | 3,983,617 | 52,662 | 349,096 | 4,385,375 | 3,362,924 |
| Allocated support costs | 586,046 | 505,103 | 833,175 | 1,924,324 | 1,465,308 |
| NURSERY: | | | | | |
| Direct costs | 125,103 | - | - | 125,103 | 114,113 |
| Allocated support costs | - | - | 5,103 | 5,103 | 24,516 |
| Other expenditure | - | - | 325,184 | 325,184 | - |
| TOTAL 2019 | 4,694,766 | 557,765 | 1,512,558 | 6,765,089 | 4,966,861 |
| TOTAL 2018 | 3,553,166 | 419,833 | 993,862 | 4,966,861 | |

**THE ACADEMY FOR CHARACTER AND EXCELLENCE
(A COMPANY LIMITED BY GUARANTEE)**

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

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2019 £ | Support costs 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-------------------|--|---|---------------------------------------|---------------------------------------|
| Education | 4,385,375 | 1,924,324 | 6,309,699 | 4,828,232 |
| Nursery | 125,103 | 5,103 | 130,206 | 138,629 |
| TOTAL 2019 | 4,510,478 | 1,929,427 | 6,439,906 | 4,966,861 |
| TOTAL 2018 | 3,477,037 | 1,489,824 | 4,966,861 | |

Analysis of direct costs

| | Education 2019 £ | Nursery 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--|---------------------------------|-------------------------------|---------------------------------------|---------------------------------------|
| Pension finance cost | 41,000 | - | 41,000 | 32,000 |
| Staff costs | 3,932,645 | - | 3,932,645 | 2,933,880 |
| Depreciation | 52,662 | - | 52,662 | 92,516 |
| Educational supplies | 91,226 | - | 91,226 | 85,269 |
| Staff development | 38,438 | - | 38,438 | 28,758 |
| Other costs | 81,280 | - | 81,280 | 56,697 |
| Supply teachers and other contracted staff | 50,972 | 125,103 | 176,075 | 149,282 |
| ICT costs | 97,152 | - | 97,152 | - |
| Educational services and consultancy | - | - | - | 98,635 |
| TOTAL 2019 | 4,385,375 | 125,103 | 4,510,478 | 3,477,037 |
| TOTAL 2018 | 3,362,924 | 114,113 | 3,477,037 | |

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10. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

| | Education 2019 £ | Nursery 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|---------------------------------|-------------------------------|---------------------------------------|---------------------------------------|
| Staff costs | 586,046 | - | 586,046 | 470,004 |
| Depreciation | 109,511 | - | 109,511 | 45,408 |
| Other costs | - | 5,103 | 5,103 | 49,687 |
| Recruitment and support | 16,698 | - | 16,698 | 8,625 |
| Maintenance of premises and equipment | 118,519 | - | 118,519 | 99,736 |
| Cleaning | 160,738 | - | 160,738 | 105,480 |
| Rent and rates | 197,314 | - | 197,314 | 137,305 |
| Energy costs | 71,792 | - | 71,792 | 40,604 |
| Insurance | 43,319 | - | 43,319 | 13,781 |
| Security and transport | 45,518 | - | 45,518 | 23,791 |
| Catering | 195,891 | - | 195,891 | 167,342 |
| Technology costs | 85,548 | - | 85,548 | 75,433 |
| Office overheads | 104,947 | - | 104,947 | 8,974 |
| Legal, professional, licences and subscriptions | 187,239 | - | 187,239 | 230,195 |
| Bank interest and charges | 981 | - | 981 | 1,875 |
| Governance | 263 | - | 263 | 11,584 |
| TOTAL 2019 | 1,924,324 | 5,103 | 1,929,427 | 1,489,824 |
| TOTAL 2018 | 1,465,308 | 24,516 | 1,489,824 | |

11. NET (EXPENDITURE)/INCOME

Net (expenditure)/income for the year includes:

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Operating lease rentals | 30,533 | 6,542 |
| Amortisation of intangible assets | 2,231 | 2,858 |
| Auditors' remuneration - audit | 8,600 | 7,850 |
| Auditors' remuneration - non audit | 11,365 | 2,680 |
| Depreciation of tangible fixed assets: owned by the Academy Trust | 159,940 | 135,065 |

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

12. STAFF COSTS

a. STAFF

Staff costs during the year were as follows:

| | 2019 £ | 2018 £ |
|-----------------------------------|------------------|------------------|
| Wages and salaries | 3,331,820 | 2,491,294 |
| Social security costs | 263,797 | 194,043 |
| Pension costs | 923,074 | 692,497 |
| | <u>4,518,691</u> | <u>3,377,834</u> |
| Agency and contracted staff costs | 176,075 | 149,282 |
| Staff restructuring costs | - | 26,050 |
| | <u>4,694,766</u> | <u>3,553,166</u> |
| | <u>2019</u> £ | <u>2018</u> £ |
| Severance payments | - | 25,000 |
| Other restructuring costs | - | 1,050 |
| | <u>-</u> | <u>26,050</u> |

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in severance payments in 2018 above are payments of £12,000 (paid in January 2018), £5,000 (paid in June 2018), £6,000 (paid in June 2018) and £2,000 (paid in August 2018).

c. STAFF NUMBERS

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

| | 2019 No. | 2018 No. |
|----------------------------|-------------|-------------|
| Teachers | 60 | 41 |
| Administration and support | 131 | 100 |
| Management | 3 | 2 |
| | <u>194</u> | <u>143</u> |

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12. STAFF COSTS (CONTINUED)

c. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

| | 2019 No. | 2018 No. |
|----------------------------|---------------------|---------------------|
| Teachers | 53 | 36 |
| Administration and support | 70 | 51 |
| Management | 3 | 2 |
| | 126 | 89 |

d. HIGHER PAID STAFF

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

| | 2019 No. | 2018 No. |
|-------------------------------|---------------------|---------------------|
| In the band £60,001 - £70,000 | 1 | - |
| In the band £80,001 - £90,000 | 1 | 1 |

e. KEY MANAGEMENT PERSONNEL

The key management of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Trust Leadership Team listed on page 1. The total amount of employee benefits (including employers national insurance and pension contributions) received by key management personnel for their services to the Academy Trust was £342,875 (2018: £246,465). The increase in cost of the key management personnel is as a result of the team changing over the last 12 months, taking into account the growth from four schools to five and with two management partnerships. The amount for 2019 is based on five members of the team, whereas there were only four in 2018 and two of those were for a part year.

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FOR THE YEAR ENDED 31 AUGUST 2019**

13. CENTRAL SERVICES

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

- Strategic support
- Financial support

The Academy Trust charges for these services on the following basis:

6% of GAG income (2018: 4%) with the exception of Shaldon which was charged at 4.5% to take account of the Central MAT team being based at Shaldon during the financial year.

The actual amounts charged during the year were as follows:

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Shaldon Primary School | 34,512 | 30,606 |
| Redhills Community Primary School | 73,824 | 54,102 |
| Galampton Church of England Primary School | 45,912 | 23,181 |
| Collaton St Mary Church of England Primary School | 46,560 | 23,531 |
| Totnes St John's C of E Primary School | 33,525 | - |
| TOTAL | 234,333 | 131,420 |

14. TRUSTEES' REMUNERATION AND EXPENSES

The CEO only receives remuneration in respect of services she provides undertaking the role of CEO under her contract of employment, and not in respect of her services as Trustee. Other Trustees did not receive any payments, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: C Weyman: Remuneration £80,000 - £85,000 (2018: was not a Trustee), Employer's pension contributions £10,000 - £15,000 (2018: was not a trustee).

During the year ended 31 August 2019, expenses totalling £1,672 were reimbursed 2 Trustees (2018 - £177 to 2 Trustees).

Other related party transactions involving the Trustees are set out in note 31 to the financial statements.

15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust 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. The cost for the insurance is included within a multi insurance policy that the Trust has taken out.

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

16. INTANGIBLE ASSETS

| | Software £ |
|-----------------------|-----------------------|
| COST | |
| At 1 September 2018 | 8,663 |
| At 31 August 2019 | <u>8,663</u> |
| AMORTISATION | |
| At 1 September 2018 | 6,432 |
| Charge for the year | 2,231 |
| At 31 August 2019 | <u>8,663</u> |
| NET BOOK VALUE | |
| At 31 August 2019 | <u>-</u> |
| At 31 August 2018 | <u><u>2,231</u></u> |

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17. TANGIBLE FIXED ASSETS

| | Long-term leasehold property £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total £ |
|--------------------------|---|------------------------------------|----------------------------|------------------------|------------|
| COST OR VALUATION | | | | | |
| At 1 September 2018 | 6,300,643 | 139,054 | 72,026 | 1,500 | 6,513,223 |
| Additions | 145,720 | 91,574 | 22,528 | - | 259,822 |
| At 31 August 2019 | 6,446,363 | 230,628 | 94,554 | 1,500 | 6,773,045 |
| DEPRECIATION | | | | | |
| At 1 September 2018 | 233,804 | 18,512 | 32,368 | 743 | 285,427 |
| Charge for the year | 104,213 | 29,253 | 26,051 | 423 | 159,940 |
| At 31 August 2019 | 338,017 | 47,765 | 58,419 | 1,166 | 445,367 |
| NET BOOK VALUE | | | | | |
| At 31 August 2019 | 6,108,346 | 182,863 | 36,135 | 334 | 6,327,678 |
| At 31 August 2018 | 6,066,839 | 120,542 | 39,659 | 757 | 6,227,797 |

18. DEBTORS

| | 2019 £ | 2018 £ |
|------------------------------------|-----------|-----------|
| DUE WITHIN ONE YEAR | | |
| Trade debtors | 75,396 | 1,500 |
| Amounts owed by group undertakings | 40,273 | 37,441 |
| Other debtors | 20,125 | 402 |
| Prepayments and accrued income | 356,986 | 254,671 |
| VAT recoverable | 77,975 | 94,106 |
| | 570,755 | 388,120 |

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19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Trade creditors | 171,341 | 168,508 |
| Other taxation and social security | 66,414 | 34,085 |
| Other creditors | 72,856 | 47,370 |
| Accruals and deferred income | 163,132 | 137,116 |
| | <u>473,743</u> | <u>387,079</u> |
| | 2019 £ | 2018 £ |
| Deferred income at 1 September 2018 | 83,591 | 46,114 |
| Resources deferred during the year | 78,074 | 83,591 |
| Amounts released from previous periods | (83,591) | (46,114) |
| | <u>78,074</u> | <u>83,591</u> |

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

20. FINANCIAL INSTRUMENTS

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| FINANCIAL ASSETS | | |
| Financial assets measured at fair value through income and expenditure | 83,742 | 88,571 |
| Financial assets that are debt instruments measured at amortised cost | 382,218 | 192,322 |
| | <u>465,960</u> | <u>280,893</u> |
| | 2019 £ | 2018 £ |
| FINANCIAL LIABILITIES | | |
| Financial liabilities measured at amortised cost | (256,399) | (269,403) |

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

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

Financial liabilities measured at amortised cost comprise trade creditors and accrued expenditure.

THE ACADEMY FOR CHARACTER AND EXCELLENCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. STATEMENT OF FUNDS

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|--|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| UNRESTR'D FUNDS | | | | | | |
| General Funds | <u>56,316</u> | <u>399,324</u> | <u>(467,135)</u> | <u>29,357</u> | <u>-</u> | <u>17,862</u> |
| RESTRIC'D 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> |
| RESTRIC'D FIXED ASSET FUNDS | | | | | | |
| Fixed assets transferred on conversion | 6,118,535 | - | (66,519) | - | - | 6,052,016 |
| Fixed assets purchases from GAG and other restricted funds | 43,383 | - | (13,410) | - | - | 29,973 |

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

21. STATEMENT OF FUNDS (CONTINUED)

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|---------------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| 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> |

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

General Annual Grant - Income from the EFA 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 student 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 - Pupil premium 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.

Start up grant - This represents one off funding received from the ESFA to contribute to the cost of schools converting from a local authority maintained school to an academy and the take on of additional schools.

Devolved formula capital - This represents funding from the ESFA to cover the maintenance and purchase of the Trust's assets.

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.

Educational Trips - This represents income and expenditure relating to school trips.

Other restricted income - This represents other restricted income and expenditure that the Trust has occurred.

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.

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21. STATEMENT OF FUNDS (CONTINUED)

Fixed Asset Funds

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

Fixed assets purchased from GAG and other restricted funds - 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.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Shaldon Primary School | (3,501) | 18,396 |
| Redhills Community Primary School | 53,160 | (11,692) |
| Central | (420,703) | (174,738) |
| Galampton Church of England Primary School | 175,846 | 132,057 |
| Collaton St Mary Church of England Primary School | 236,253 | 125,589 |
| Totnes St Johns | (22,708) | - |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 18,347 | 89,612 |
| Restricted fixed asset fund | 6,490,085 | 6,230,028 |
| Pension reserve | (2,531,000) | (1,336,000) |
| | <hr/> | <hr/> |
| TOTAL | 3,977,432 | 4,983,640 |
| | <hr/> <hr/> | <hr/> <hr/> |

Central and the following academies are carrying net deficits on their portion of the funds as follows:

| | Deficit £ |
|------------------------|--------------|
| Central | 420,703 |
| Shaldon Primary School | 3,501 |
| Totnes St Johns | 22,708 |
| | <hr/> <hr/> |

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

21. STATEMENT OF FUNDS (CONTINUED)

Reasons for deficit and actions being taken:

In 2018/19, the board made the decision that the Trust will pool its GAG funding from 1st September 2019. The rationale for this decision is to enable the Trust to fulfil its mission of Excellence through Cultivating Character, Sharing Talents and Pursuing Innovation. It will enable a more strategic and targeted approach to improving outcomes for pupils. The pooling will enable the Trust to ensure alignment of schools and equality of opportunity for all pupils. This alignment will be maximised through the co-construction of Trust priorities such as the development of a Character Education curriculum fulfilling the Trust mission. The Trust aims to become an employer of choice through the development of a strong and proactive School Improvement Strategy which focuses on recruiting, developing, managing and tracking talent. Pooling will enable the Trust to maximise funding and ensure a flexible approach to prioritisation of needs.

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 2019 £ | Total 2018 £ |
|--|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Shaldon Primary School | 621,266 | 33,619 | 14,610 | 244,538 | 914,033 | 882,581 |
| Redhills Community Primary School | 1,097,351 | 98,962 | 13,916 | 343,110 | 1,553,339 | 1,608,430 |
| Central | 367,511 | 170,946 | 4,036 | 208,054 | 750,547 | 426,701 |
| Galmpton Church of England Primary School | 551,193 | 95,218 | 11,680 | 218,089 | 876,180 | 730,606 |
| Collaton St Mary Church of England Primary School | 550,819 | 118,268 | 10,286 | 292,966 | 972,339 | 736,992 |
| Totnes St Johns | 511,608 | 69,033 | 6,325 | 225,328 | 812,294 | - |
| ACADEMY TRUST | 3,699,748 | 586,046 | 60,853 | 1,532,085 | 5,878,732 | 4,385,310 |

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21. STATEMENT OF FUNDS (CONTINUED)

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

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|--|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| UNRESTRICTED FUNDS | | | | | | |
| General Funds | (33,904) | 263,684 | (173,464) | - | - | 56,316 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | - | 3,321,025 | (3,309,466) | (11,559) | - | - |
| High needs | - | 103,848 | (103,848) | - | - | - |
| Donations | - | 6,131 | (6,131) | - | - | - |
| Diocese Land and Building Rent | - | 100,000 | (100,000) | - | - | - |
| Pupil Premium | - | 260,907 | (260,907) | - | - | - |
| Start up grant | 40,967 | - | (40,967) | - | - | - |
| Devolved formula capital | - | 39,459 | - | (11,163) | - | 28,296 |
| UIFSM | - | 101,602 | (101,602) | - | - | - |
| Other DfE/ ESFA grants | - | 106,754 | (101,754) | - | - | 5,000 |
| Educational trips | - | 32,952 | (32,952) | - | - | - |
| Other non-government grants | - | 19,425 | (19,425) | - | - | - |
| Pension reserve | (941,000) | - | (744,000) | - | 349,000 | (1,336,000) |
| | (900,033) | 4,092,103 | (4,821,052) | (22,722) | 349,000 | (1,302,704) |
| RESTRICTED FIXED ASSET FUNDS | | | | | | |
| Fixed assets transferred on conversion | 6,205,054 | - | (86,519) | - | - | 6,118,535 |
| Fixed assets purchases from GAG and other restricted funds | 34,071 | - | (13,410) | 22,722 | - | 43,383 |

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

21. STATEMENT OF FUNDS (CONTINUED)

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|---------------------------------------|--|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| DfE/ ESFA Capital Grants | - | 69,605 | (1,495) | - | - | 68,110 |
| | <u>6,239,125</u> | <u>69,605</u> | <u>(101,424)</u> | <u>22,722</u> | <u>-</u> | <u>6,230,028</u> |
| TOTAL RESTRICTED FUNDS | <u>5,339,092</u> | <u>4,161,708</u> | <u>(4,922,476)</u> | <u>-</u> | <u>349,000</u> | <u>4,927,324</u> |
| TOTAL FUNDS | <u><u>5,305,188</u></u> | <u><u>4,425,392</u></u> | <u><u>(5,095,940)</u></u> | <u><u>-</u></u> | <u><u>349,000</u></u> | <u><u>4,983,640</u></u> |

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 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) |
| Pension scheme liability | - | (2,531,000) | - | (2,531,000) |
| TOTAL | <u><u>17,862</u></u> | <u><u>(2,530,515)</u></u> | <u><u>6,490,085</u></u> | <u><u>3,977,432</u></u> |

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

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Restricted fixed asset funds 2018 £ | Total funds 2018 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 6,227,797 | 6,227,797 |
| Intangible fixed assets | - | - | 2,231 | 2,231 |
| Current assets | 443,395 | 33,296 | - | 476,691 |
| Creditors due within one year | (387,079) | - | - | (387,079) |
| Pension scheme liability | - | (1,336,000) | - | (1,336,000) |
| TOTAL | 56,316 | (1,302,704) | 6,230,028 | 4,983,640 |

23. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2019 £ | 2018 £ |
|---|------------------|-----------|
| Net expenditure for the year (as per Statement of financial activities) | (575,208) | (670,548) |
| ADJUSTMENTS FOR: | | |
| Depreciation and amortisation charges | 162,172 | 137,923 |
| Interest received | (138) | (118) |
| Decrease/(increase) in debtors | 523 | (264,868) |
| Increase/(decrease) in creditors | 7,314 | 132,145 |
| Capital grants from DfE and other capital income | (369,044) | (96,231) |
| Defined benefit pension scheme obligation inherited | 365,000 | 439,000 |
| Defined benefit pension scheme cost less contributions payable | 358,000 | 273,000 |
| Defined benefit pension scheme finance cost | 41,000 | 32,000 |
| NET CASH USED IN OPERATING ACTIVITIES | (10,381) | (17,697) |

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24. CASH FLOWS FROM INVESTING ACTIVITIES

| | 2019 | 2018 |
|--|------------------|----------|
| | £ | £ |
| Interest received | 138 | 118 |
| Purchase of tangible fixed assets | (180,472) | (57,446) |
| Capital grants from DfE Group | 185,886 | 89,271 |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 5,552 | 31,943 |

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2019 | 2018 |
|--|---------------|--------|
| | £ | £ |
| Cash in hand | 83,742 | 88,571 |
| TOTAL CASH AND CASH EQUIVALENTS | 83,742 | 88,571 |

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26. CONVERSION TO AN ACADEMY TRUST

On 1 December 2018 Totnes St Johns converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Academy for Character and Excellence from Devon County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net loss in the Statement of financial activities as Expenditure on Charitable activities - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

| | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--|-----------------------------------|---|------------------------------|
| TANGIBLE FIXED ASSETS | | | |
| Other tangible fixed assets | - | 20,000 | 20,000 |
| CURRENT ASSETS | | | |
| Cash - representing Devolved Formula Capital Funds transferred | 19,816 | - | 19,816 |
| LGPS pension surplus/(deficit) | (365,000) | - | (365,000) |
| NET (LIABILITIES)/ASSETS | (345,184) | 20,000 | (325,184) |

The above net assets include £19,816 that were transferred as cash.

No land and buildings have been introduced into the financial statements in respect of the above schools. Further details are provided in note 2.7 to the financial statements.

27. CAPITAL COMMITMENTS

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS | | |
| Contracted for, but not provided in the financial statements | 177,407 | - |

28. PENSION COMMITMENTS

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

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

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28. PENSION COMMITMENTS (CONTINUED)

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

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was 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% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £296,786 (2018 - £231,636).

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

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

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28. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £329,000 (2018 - £215,000), of which employer's contributions totalled £253,000 (2018 - £162,000) and employees' contributions totalled £ 76,000 (2018 - £53,000). 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

| | 2019 % | 2018 % |
|---|-----------|-----------|
| Rate of increases in salaries | 3.70 | 3.80 |
| Rate of increase for pension in payment / inflation | 2.20 | 2.30 |
| Discount rate for scheme liabilities | 1.90 | 2.65 |
| Inflation assumption (CPI) | 2.20 | 2.30 |

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

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

Sensitivity analysis

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Discount rate +0.1% | (115) | (65) |
| Discount rate -0.1% | 118 | 67 |
| Mortality assumption - 1 year increase | 158 | 79 |
| Mortality assumption 1 year decrease | (152) | (77) |
| CPI rate +0.1% | 108 | 62 |
| CPI rate -0.1% | (105) | (60) |

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28. PENSION COMMITMENTS (CONTINUED)

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

| | At 31 August 2019 £ | At 31 August 2018 £ |
|--|------------------------------------|------------------------------------|
| Equities | 1,093,000 | 692,000 |
| Gilts | 66,000 | 35,000 |
| Other bonds | 34,000 | 22,000 |
| Property and infrastructure | 229,000 | 145,000 |
| Cash | 24,000 | 18,000 |
| Target return portfolio and alternative assets | 352,000 | 222,000 |
| Private equity | 33,000 | 12,000 |
| TOTAL MARKET VALUE OF ASSETS | 1,831,000 | 1,146,000 |

The actual return on scheme assets was £84,000 (2018 - £59,000).

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

| | 2019 £ | 2018 £ |
|---|--------------------|-------------------|
| Current service cost | (561,000) | (435,000) |
| Past service cost | (50,000) | - |
| Interest income | 39,000 | 24,000 |
| Interest cost | (80,000) | (56,000) |
| Transfer in on existing schools joining the Academy Trust | (365,000) | (439,000) |
| TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES | (1,017,000) | (906,000) |

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

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| AT 1 SEPTEMBER | 2,482,000 | 1,584,000 |
| Transferred in on existing schools joining the trust | 674,000 | 672,000 |
| Interest cost | 80,000 | 56,000 |
| Employee contributions | 76,000 | 53,000 |
| Actuarial losses/(gains) | 475,000 | (314,000) |
| Benefits paid net of transfers in | (36,000) | (4,000) |
| Past service costs | 50,000 | - |
| Current service cost | 561,000 | 435,000 |
| AT 31 AUGUST | 4,362,000 | 2,482,000 |

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28. PENSION COMMITMENTS (CONTINUED)

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

| | 2019 £ | 2018 £ |
|--|------------------|-----------|
| AT 1 SEPTEMBER | 1,146,000 | 643,000 |
| Transferred in on existing schools joining the trust | 309,000 | 233,000 |
| Interest income | 40,000 | 24,000 |
| Actuarial gains | 44,000 | 35,000 |
| Employer contributions | 253,000 | 162,000 |
| Employee contributions | 76,000 | 53,000 |
| Benefits paid net of transfers in | (36,000) | (4,000) |
| Administration expenses | (1,000) | - |
| AT 31 AUGUST | 1,831,000 | 1,146,000 |

29. OPERATING LEASE COMMITMENTS

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

| | 2019 £ | 2018 £ |
|--|----------------|-----------|
| Not later than 1 year | 38,522 | 6,542 |
| Later than 1 year and not later than 5 years | 62,359 | 7,192 |
| | 100,881 | 13,734 |

30. MEMBERS' LIABILITY

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

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31. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

the following related party transactions took place during the year in addition to the payment of remuneration to a Trustee as set out in note 13 to the financial statements:

During the year the academy had a number of transactions with related parties. The Academy was donated a shed worth £400 from Girling Jones Ltd, a company controlled by a Trustee of the Trust.

The Academy also purchased employment advice from Stephens Scown, a law firm which one of the Trustees is a HR specialist partner. The transactions totalled £468 (2018: £nil). There are no amounts outstanding at the year end (2018: £nil).

Mrs Cousins - spouse of M Cousins (Trustee for part of the year). Mrs Cousins is employed by Redhills Community Primary School. Remuneration totalling £13,700 (2018 - £12,900) and employer's pension contributions of £2,400 (2018 - £1,900), was paid through the payroll. There were no amounts outstanding at the year end.