

**THE ACADEMY FOR CHARACTER AND EXCELLENCE**

(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**



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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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|--|---|
| <b>Members</b>                         | T Falcao<br>Plymouth Marjon University<br>A Church (resigned 15 November 2021)<br>P Gray (Representing EDEN)  |
| <b>Trustees</b>                        | C Weyman, CEO<br>J Gater<br>E Hibberd, Chair of Trustees (to 14 October 2021)<br>P Reynods (appointed 15 October 2020, resigned 4 October 2021)<br>R Willoughby, Chair of Trustees (from 15 October 2021)<br>P Mantell<br>M Haskell<br>J Coe (appointed 25 February 2021) |
| <b>Company registered number</b>       | 10098444  |
| <b>Company name</b>                    | The Academy for Character and Excellence  |
| <b>Principal and registered office</b> | Totnes St Johns C Of E Primary School<br>Pathfields<br>Totnes<br>TQ9 5TZ  |
| <b>Chief executive officer</b>         | C Weyman  |
| <b>Senior management team</b>          | C Weyman, CEO<br>C Platt, Director of Education<br>S Smith, Finance Director (appointed 15th March 2021)<br>J Ackroyd, Interim Finance Lead (resigned 31 March 2021)  |
| <b>Independent auditors</b>            | Griffin<br>Chartered Accountants<br>Silverdown Office Park<br>Exeter Airport Business Park<br>Exeter<br>EX5 2UX   |
| <b>Bankers</b>                         | Lloyds Bank plc<br>234 High Street<br>Exeter<br>Devon<br>EX4 3NL  |
| <b>Solicitors</b>                      | PHP Law LLP<br>6 Atlantic Building<br>Queen Anne's Battery<br>Plymouth<br>PL4 0LP   |

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates 6 primary academies in the authorities of Torbay and Devon. The Trust's academies have a combined capacity in years Reception to Year 6 of 1292, and the schools have a roll of 1,207 recorded in the Autumn 2021 school census. Berry Pomeroy C of E Primary is supported through a management partnership and is expected to formally convert into the Trust in 2021/2022.

### **Structure, governance and management**

The Academy Trust was incorporated on 1 April 2016 and opened with Shaldon and Redhills Academies on 1 June 2016. It was joined by Collaton St Mary and Galmpton on the 1 November 2017 and Totnes St John's on the 1st December 2018. Brixham Church of England Primary School converted into the Trust on 1st September 2020. It is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

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

#### **a. Constitution**

The Academy is a charitable 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 Trustees of The Academy for Character and Excellence (ACE) are also the Directors of the charitable company for the purposes of company law.

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

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

The charitable company is known as The Academy for Character and Excellence and currently includes:

- Brixham Church of England Primary School
- Collaton St.Mary Church of England Primary School
- Galmpton Church of England Primary School
- Redhills Primary School
- Totnes St.John's Primary School
- Shaldon Primary School

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

**b. Members' liability**

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

**c. Method of recruitment and appointment or election of Trustees**

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding Agreement:

- The number of Directors shall be not less than five, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum
- No fewer than three Foundation Directors, appointed under Articles 50 and 50A
- The Chief Executive Officer who is treated for all purposes as being an ex officio Trustee (stepping down from this role awaiting approval from DfE).

Trustees are appointed for a four-year period. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. The Diocese of Exeter is empowered under article 50A to appoint Trustees through their corporate entity known as EDEN.

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 Trust's development.

Parents are represented at Local Committee level.

**d. Policies adopted for the induction and training of Trustees**

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

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the schools 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. Advantage is taken of specific courses offered by the Local Authority and other bodies. The Trust subscribes to the Confederation of School Trusts which provides ongoing support for governance. This membership offers workshops, seminars and training events that the Trustees are able to attend. Trustees are also encouraged to attend specific Trustee training which is currently provided by the CST, Babcock and other external consultants. The Trust also subscribes to the Governance support provided by both Babcock and The Key for School Leaders, and reports and newsletters are circulated to all Trustees and Governors.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

**e. Organisational structure**

Board of Trustees:

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

Each Director holds a portfolio area: HR; Finance; Curriculum and Standards; Ethos and Distinctiveness; Estates; Community Partnerships and Safeguarding each with a committee comprised of either central team specialist (estates, HR, community partnerships and Finance) or local committee Members (Curriculum and standards; ethos and distinctiveness; Safeguarding).

Finance, Audit and Risk Committee:

The Committee meet at least six times a year and is responsible for monitoring, evaluating and reviewing financial management policy and performance, ensuring compliance with reporting and regulatory requirements, receiving internal assurance reports, monitoring the staffing establishment and drafting the annual budget. It also incorporates the role of an audit committee.

Local Committees:

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

- Local Committees at Shaldon, Redhills, Collaton, Galmpton and Brixham which meet up to 5 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 5 times per annum. The IAB has recruited local Governors and there is a transition programme in place to support its move to a Local Committee.

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

The Trust Leadership Team:

The Chief Executive Officer is the Accounting Officer for the Trust and appointed by the Board. The Executive Leadership team of the Trust is overseen by the CEO. This team comprises of the CEO, the Director of Education and The Chief Finance Officer.

The Education Leadership Team comprises of the CEO, the Director of Education, Executive Headteachers and Headteachers. Each school also has a Senior Leadership Team which is responsible for the strategic and operational decision making at school level, with responsibility for implementing the school improvement plan.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

The Central Services Team comprises of the CEO; Director of Education; Chief Finance Officer; Trust HR Manager; Trust Finance Officer; Finance Assistant; Safeguarding and Inclusion Lead; Healthy Communities and Trust Catering Lead, and the Executive Assistant to the CEO.

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

The following decisions are reserved to the Board of Trustees:

- To review and approve the Trust governance structure.
- To agree Trustee appointments for ratification by its Members and the Diocese.
- To approve the Trust Strategic Plan including the Trust vision and values.

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.

The Trust has built a strong Central Function to support growth in the future as well as performance, ensuring focus in schools is maintained. This function covers:

Leadership:

- Strategic overview
- Risk management
- Headteacher mentoring
- Accounting Officer
- Strategic finance overview
- Policy development
- Budget setting
- Reputation management
- Networking to create opportunities for the Trust
- Horizon scanning to ensure the awareness of risks and opportunities
- Leading on reviews for the RSC, Diocese and ESFA

School Improvement:

- Talent management
- Management of Trust Improvement Groups (TIGs)
- Headteacher appraisal
- Coaching and mentoring
- Ofsted and SIAMs preparation
- Peer reviews
- School improvement plan and self evaluation support

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

Curriculum:

- Provision of "A Curriculum for Excellence"
- Support with implementation of the curriculum
- Development of pedagogy to support the curriculum
- Monitoring enquiries to measure its impact
- Continual development of curriculum
- Curriculum expert to support schools

Finance:

- Financial compliance and controls
- Financial strategic planning
- Monthly management accounts
- Finance support to Headteachers
- Finance training
- Payment and banking reconciliation
- Pay runs for all services to schools

HR and Payroll:

- Highly personalised support and advice with all people related issues within schools
- Support and SLA with PHP (Education employment law specialists)
- Full payroll and pension service
- Complete safer recruitment and selection support
- Administration support through mentoring and Trust Improvement Groups
- Policy development and implementation

Safeguarding and Inclusion:

- Safeguarding training and support
- Safeguarding annual audits
- Supervision services to staff (as and when required)
- Policy development and implementation
- Rapid response to emergency situations
- Support with complaints, exclusions and Subject Access Requests

Healthy Communities and catering:

- Drives national award programmes in each school, eg. Food for Life
- Support to Headteachers and school teams to build community partnerships
- Improves nutritional standards across all schools
- Menu development
- Develops catering teams within all schools



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**TRUSTEES' REPORT (CONTINUED)**  
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**Structure, governance and management (continued)**

Estates, Compliance and Health and Safety:

- Management of estate strategy
- Support to the Headteacher in ensuring all premises are safe and comply with statutory requirements
- Project management
- ESFA Compliance for all estate management procurement
- Health and Safety support to all Headteachers, caretakers and H & S Leads
- Liaise with industry professionals on the school's behalf
- Ensuring each school is compliant in their H&S practices
- SLA with external CIF contractor to maximise CIF Potential

Governance:

- Governance Lead
- Policy development and implementation
- Data Protection Officer
  - DPO compliance and support
  - DPO Training
- Complaints and Exclusion support
- Clerk support through mentoring and Trust Improvement Group's

Website and Graphic Design:

- Website design
- Graphic design
- Newsletter design

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

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

The CEO's remuneration is set and agreed by Trustees as advised by an external consultant, having regard to a number of factors including performance.

The Trust sets all pay and remuneration for all other positions in line with local authority approved policy which has been consulted upon through the recognised Trade Unions and professional associations. These policies recognise the School Teachers' Pay and Conditions and Burgundy Book for those in teaching positions, and NJC terms and conditions for those in non-teaching posts.

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

All Trustees give their time freely and no Trustee received remuneration in the year in respect to their role as a Trustee. Details of Trustees' expenses and related party transactions are disclosed in the notes to the financial statements.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

**g. Related parties and other connected charities and organisations**

The Trust works closely with the Exeter Diocese, Education and Skills Funding Agency, the Department for Education, and Local Authorities within which each school and supported school operates.

The impact of collaboration with local community organisations and charities has supported schools to further support pupils and families throughout the ongoing covid pandemic by providing community care packs containing household essentials, additional food support, Fareshare food markets and weekly family 'cookalongs'.

The Trust has worked in partnership with local, regional, national charitable and voluntary organisations and the schools work in partnership to deliver educational outcomes, character development and improve opportunities for pupils in the community. Through fostering links with the local community, the schools recognise the benefit to build positive reputation, strengthening the school's identity in the community it serves.

The Trust has strong collaborative links with Berry Pomeroy Church of England Primary providing support through a management partnership. The school is expected to join the Trust in 2022.

**h. Engagement with employees**

Employee relations: Regular contact is maintained with Headteachers to provide advice and a supportive culture of empowerment. The Trust subscribe to an Employee Assistance Programme (EAP) to support all our employees and their families through difficult times. This covers both reactive issues and extends to proactive and preventive support to ensure the best possible outcomes. This support is available 24 hours a day.

Communications: This is fostered through the alignment of the Trust through its underpinning values. Guidance is provided to headteachers through regular meetings, one-to-ones, coaching, newsletters and the provision of resources. Union perspectives are sought where appropriate and two-way discussions facilitated through union meetings to support staff consultation, policy amendments and to address any personal concerns.

Support to disabled employees: The Trust seeks to make reasonable adjustments to support recruitment from disabled groups and is helped to identify adjustments through pre-employment medical questionnaires and through the job application process. The HR team advise to ensure all reasonable adjustments are made and monitored to support continued employment of disabled persons. The Trust's Recruitment and Retention and Pay and Appraisal policies seek to actively challenge discrimination.

COVID: Strong relationships have been maintained throughout the pandemic. This is achieved through regular leadership contact with both the Executive team and HR so that any health and safety issues are addressed.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Structure, governance and management (continued)**

**i. Engagement with suppliers, customers and others in a business relationship with the Academy**

The Trust seeks mutually beneficial arrangements with suppliers and customers, recognising the key role of business relations to our success.

Suppliers:

Relationships with local suppliers have been strengthened this year in a changing and challenging environment throughout Covid. The Trust has worked constructively with suppliers to ensure continuity of service compliant with government procurement PPN 02/20, 04/20. The Trust has ensured that they have supported the disadvantaged through the provision of food parcels or vouchers.

The Trust adopts a balanced approach to effective procurement, obtaining best value whilst also recognising the value of using smaller local organisations. In relation to suppliers, the Trust recognises the importance in developing and maintaining good relationships to ensure best value, expertise, effective service delivery, considerations for sustainability and quality assurance. Due diligence is applied and research undertaken to ensure alignment of the Trusts values. This is an area that the Trust will be developing further over the coming year.

The Trust is committed to developing and maintaining strong business relationships with consumers, suppliers, and wider partners. The Trust has a clear vision and values which creates the framework for a professional culture that drives positive business behaviour.

The Wider Community:

The Trust recognised the pivotal role of our schools within the local community and their involvement is recognised through the Trusts strategic priorities. We actively encourage our schools to be the hub of their communities. Community cohesion is built through a varied range of opportunities and takes various forms including community use of facilities, strong functioning PTA, placement and apprenticeships, offering community lunches and participating in community events, signposting for parental support, sponsorship, fundraising and social advocacy. This is carried out through regular engagement with local groups, and the building of strong relationships with local community organisations, which also covers a church ethos.

**j. Trade union facility time**

During the year ended 31 August 2021, no employees of the Academy Trust were relevant union officials.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities**

**a. Objects and aims**

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

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

The Vision and Values of The Academies for Character and Excellence (ACE)

‘Achieving Excellence through Cultivating Character, Sharing Talents and Pursuing Innovation’

The Academies for Character and Excellence (ACE) is a self-improving organisation with a mission of collaborative partnerships to Achieve Excellence through Cultivating Character, Sharing Talents and Pursuing Innovation.

‘Cultivating Character’ is the focus on the whole child. We develop our children’s character through our Character Education gateways of Citizenship, Leadership, Exploration, Expression and Flourishing.

‘Sharing Talents’ demonstrates our total commitment to collaboration. Children and staff will be given opportunities to fulfil their potential so that all schools within the Trust improve.

‘Pursuing innovation’ means we use the best research to inform our practice. We cannot expect our children to be great learners if we are not also passionate about learning and curriculum design.

The Trust’s underpinning values of Uncompromising Excellence, Community, Equity, Collaboration and Integrity are firmly embedded. The Trust aspires to be exceptional in all it does and therefore has focused strategy on strength of governance, financial stability, a strong school improvement offer, a character education curriculum, as well as ensuring that central services provide value for money. The intended outcome of these priorities is to ensure our children achieve the best possible life chances.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Objectives and activities (continued)**

**b. Objectives, strategies and activities**

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

The vision for the Trust is to become an exceptional Trust and to achieve this ambition, a 4-year strategy was implemented in 2020 based on the following priorities:

- Culture: Grow an exceptional team through a high challenge, high support organisation.
- School Performance: Successfully pursue excellence at all levels.
- Curriculum: Cultivate our children's character through 'A Curriculum for Excellence'
- Church Schools: Deliver excellence through a Christian Vision for Education
- Service: Develop our Trust as a Civic Organisation
- One organisation: Embedding resilience systems and achieving long-term sustainability

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 performance data, where their oversight is supported by local committees.

**c. Public benefit**

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

The schools within the Trust do make their facilities available to the general public by way of 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report**

**Achievements and performance**

The Trust published and implemented its curriculum 'A Curriculum for Excellence' in September 2020 and this continues to be at the heart of all work in the Trust with its intent of academic excellence, metacognition and character education. In 2021/22, the school improvement focus will be on the pedagogy to deliver this curriculum. The Trust has implemented a network of teams approach to develop new leaders and improve teaching practice through a collaborative research-led approach.

Other achievements

As a result of the pandemic, our 2020/21 results are based on Teacher Assessment, which have been moderated internally. Furthermore, the Trust has continued its drive for high performance and precision teaching, has been used to effectively fill any gaps resulting from COVID19.

Strategies to counter the impact of COVID19

COVID catch-up funding has been targeted to mitigate for any lost learning in line with the guidance on curriculum expectations for the next academic year. Funding has been used primarily to develop pedagogical approaches to ensure excellence in curriculum implementation. Our schools in the most disadvantaged areas were able to utilise the Academic Tutoring Programme to deliver face-to-face and online 1:1 and small group interventions. Furthermore, funding was used to support the social, emotional and mental wellbeing of our pupils throughout the lockdown periods.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Strategic report (continued)**

**Achievements and performance (continued)**

Key Stage 2 Achievements

At the end of Key Stage 2 (KS2) pupils took a previous national curriculum tests in mathematics, English reading and English grammar, punctuation and spelling to support Teacher Assessments.

| Pupils at end of Key stage 2 |            |              |           |              |           |              |           |              |           |
|------------------------------|------------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|
|                              | Cohort     | Reading      |           | Writing      |           | Maths        |           | Combined     |           |
|                              |            | % Expected + | % High    | % Expected + | % High    | % Expected + | % High    | % Expected + | % High    |
| <b>ACE</b>                   | <b>212</b> | <b>87</b>    | <b>37</b> | <b>82</b>    | <b>19</b> | <b>79</b>    | <b>21</b> | <b>75</b>    | <b>15</b> |
| Brixham                      | 28         | 86           | 32        | 82           | 11        | 71           | 7         | 71           | 7         |
| Collaton                     | 32         | 84           | 34        | 81           | 13        | 81           | 15        | 81           | 13        |
| Galmpton                     | 30         | 93           | 53        | 87           | 20        | 90           | 23        | 83           | 17        |
| Redhills                     | 50         | 84           | 26        | 76           | 24        | 72           | 32        | 66           | 24        |
| Shaldon                      | 32         | 88           | 47        | 88           | 47        | 81           | 25        | 78           | 25        |
| Totnes St Johns              | 28         | 86           | 29        | 79           | 11        | 79           | 21        | 75           | 11        |

Key Stage 1 Achievements

At the end of Key Stage 1 (KS1) pupils took a previous national curriculum tests in mathematics, English reading and English Spelling to support Teacher Assessment.

| Pupils at end of Key stage 1 |            |              |                 |              |                 |              |                 |               |                   |
|------------------------------|------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|---------------|-------------------|
|                              | Cohort     | Reading      |                 | Writing      |                 | Mathematics  |                 | Phonics       |                   |
|                              |            | % Expected + | % Greater depth | % Expected + | % Greater depth | % Expected + | % Greater depth | Year 1 Cohort | Year 1 % Expected |
| <b>ACE</b>                   | <b>168</b> | <b>76</b>    | <b>32</b>       | <b>72</b>    | <b>25</b>       | <b>73</b>    | <b>26</b>       | <b>174</b>    | <b>80</b>         |
| Brixham                      | 29         | 79           | 34              | 69           | 21              | 72           | 28              | 30            | 83                |
| Collaton                     | 27         | 78           | 44              | 78           | 26              | 74           | 30              | 28            | 82                |
| Galmpton                     | 30         | 83           | 40              | 83           | 40              | 77           | 30              | 29            | 93                |
| Redhills                     | 27         | 67           | 7               | 63           | 7               | 67           | 11              | 26            | 50                |
| Shaldon                      | 29         | 83           | 41              | 76           | 41              | 83           | 38              | 29            | 100               |
| Totnes St Johns              | 13         | 62           | 23              | 77           | 23              | 69           | 23              | 16            | 50                |

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**Achievements and performance (continued)**

Early Years Foundation Stage Achievements

| <b>Pupils at end of EYFS</b> |        |                           |
|------------------------------|--------|---------------------------|
|                              | Cohort | Good level of development |
| <b>ACE</b>                   | 178    | 75                        |
| Berry<br>Pomeroy             | 13     | 92                        |
| Brixham                      | 26     | 77                        |
| Collaton                     | 29     | 83                        |
| Galmpton                     | 30     | 73                        |
| Redhills                     | 30     | 60                        |
| Shaldon                      | 30     | 90                        |
| Totnes St<br>Johns           | 20     | 55                        |

In 2020/21, The Trust produced combined results (Teacher Assessments using SAT papers) which were 75%, well above Fischer Family Trust national averages (64% in 2020/21). At Key Stage 1, the Trust continued to achieve well with results in reading (76%), writing (72%) and maths (73%) above Fischer Family Trust national averages from 2020/21.

**Key Performance Indicators - Summary**

1. Overall Labour costs to be 75% of GAG Funding.
2. Monitoring of in year performance against the 2% (2021-22) 3% (2020-21) Operating Margin Target.
3. Performance comparison between schools on: Income per Pupil, Labour costs per Pupil, Non-Labour costs per Pupil.
4. Cash flow assessment against 8% target.
5. From 2020-21 Purchasing system review of order authority efficiency and Creditor analysis of payment within agreed Terms.
6. Increase the numbers on roll at Totnes St.John's.
7. Schools to achieve either a good or outstanding OFSTED judgement.
8. 100% of Teachers in the Trust demonstrate pedagogy for 'A Curriculum for Excellence'.
9. Pupil attainment and progress at least in line with the top 10% nationally

**Going concern**

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



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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**Financial review**

Brixham Church of England Primary School joined the Trust in September 2020 and so it has been a year of growth alongside the continuing challenges of Covid 19. Berry Pomeroy Primary School has continued in a management partnership throughout the year.

During the financial year 2019-20 the Trust formalised a number of its financial performance parameters and undertook a full review of all members of the Trust. The Finance Committee agreed a set of performance targets that include achieving a 3% Operating Surplus, against Total Funds, within each Schools within the Trust to establish a longer term objective of establishing a 10% level of Income Funds and Cash at Bank and in Hand level of 8% of the Trusts Total Income.

The Trust has performed well against these targets. We have established a Cash at Bank and in Hand level of 8% of the Trusts Total Income and achieved 4.4% in year operating surplus against Total Funds (excluding transfers on conversion).

During the year consideration was given to the level of reserves and this was realigned to 5%.

This performance improvement has been achieved against the continuing challenges created by the outbreak of Covid-19. Investment has been made into IT equipment in the year and Health and Safety and Cleaning provision costs have remained high along. The need to provide additional staffing cover has also negatively affected our cost base.

During the year, the Trust received income totalling £7,125,984 (2020: £6,577,703) and expenditure totalling £7,700,159 (2020: £6,544,047). The excess of expenditure over income amounts to £574,175 (2020: £33,656 income in excess of expenditure). Brixham Church of England Primary School transferred into The Academy for Character and Excellence on 1st September 2020, and income received in relation to this transfer is detailed within note 4 of these accounts.

The net book value of tangible fixed assets at year-end totalled £6,681,376 (2020: £6,549,041). Fixed assets were transferred into the Trust with Brixham Church of England Primary School, totalling £12,055, and are detailed within note 16.

The Trust has taken on the deficit within the Local Government Pension Scheme in respect to support staff transferred with Brixham Church of England Primary School. The deficit is included within the Statement of Financial Activities and detailed within note 27.

The Trustees consider the overall total funds position of £2,723,469 (2020: £3,988,644) comprising £6,698,376 (2020: £6,725,796) of restricted fixed asset funds, together with (£4,439,646) (2020: (£2,914,318)) of restricted funds and £464,739 (2020: £177,166) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £4,491,000 (2020: £2,935,000) and general restricted funds of £51,354 (2020: £20,682).

During the year ended 31st August 2021, the Trust generated an in-year revenue surplus of £318,245, with total restricted & unrestricted revenue reserves held at year-end of £516,093. The revenue surplus includes funds received on transfer of Brixham Church of England Primary School into the Trust.

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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Strategic report (continued)**

**a. Reserves policy**

The Trust has a 2% in Year and a cumulative 5% Reserves strategy based against Total Funds. These have been reviewed in the financial period following a positive performance in 2020-21 to ensure the Trust continues to balance investing in its infrastructure and estates alongside ensuring sufficient funds for financial risks.

An area of deficit performance has been within Totnes St.John's Primary School, which joined the Trust with an underperforming Education and Financial history and has required investment into its estates during the year. The school is at the end of a three-year programme to improve in both its Education and Financial performance and is returning to a positive level within 2020-21.

Whilst there were additional costs of working due to Covid 19, particularly in health and safety, additional catering and cleaning consumables, and significant supply staff, these were offset by operational savings across utilities and educational supplies. Further costs such as academic mentors and increased free school meal provisions were funded directly resulting in no financial impact to the Trust.

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

**b. Investment policy**

Cash balances will still be held in Deposit accounts as there is no current change to this strategy proposed. The Trust has achieved its target to raise cash balances to an underlying level of 8% of Total Income. It is likely that no change to the current policy will be reviewed until either this level is consistently achieved or Market conditions change appertaining to nil risk investment returns.

**c. 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 87.5% 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.

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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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Failures in governance and/or management

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

Reputational

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

Safeguarding and child protection

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

Staffing

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

Fraud and mismanagement of funds

The Academy Trust plans to appoint a Responsible Officer to carry out checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover. At the year end, the Academy Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 29 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**Fundraising**

The Trust does not use any external fundraiser but each school does have active fundraising capability via its Parent Teacher and Friends Association's etc.

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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Plans for future periods**

The Trust Development plan has the following key objectives for 21-22.

1. To embed the ACE pedagogy for academic excellence, metacognition and character education.
2. To continue developing a 'network of teams' approach to collaboration.
3. To ensure that all schools achieve at least a 'good' OFSTED outcome.
4. To ensure all schools achieve at least a 'good' SIAMs outcome.
5. To develop a shared vision and strategy for delivering excellent outcomes for disadvantaged children.
6. To develop, present and roll out the Estates Strategy in order to provide clear direction to the Strategic Board.
7. To grow the reputation of the Trust in the delivery of Character Education.
8. To develop an 'ACE' appraisal system based on empowerment and engagement.
9. To develop closer links with the community through a health focus.
10. To implement a new budgeting and payroll system.

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

**Funds held as custodian on behalf of others**

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

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

**Auditors**

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2021 and signed on its behalf by:

**R Willoughby**  
Chair of Trustees

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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

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

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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 |
|--|-------------------|-------------------|
| C Weyman, CEO  | 6                 | 6                 |
| J Gater  | 6                 | 6                 |
| E Hibberd, Chair of Trustees (to 14 October 2021)      | 6                 | 6                 |
| P Reynods  | 4                 | 5                 |
| R Willoughby, Chair of Trustees (from 15 October 2021) | 6                 | 6                 |
| P Mantell  | 6                 | 6                 |
| M Haskell  | 6                 | 6                 |
| J Coe  | 3                 | 3                 |

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

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

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

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

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

Performance of the board:

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

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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

Quality of Data

The board uses the following data:

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

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

This year there has been an internal review of governance within the Trust. This has included reviewing the boards skill set, Governor portfolios and communication.

The board have continued to review the effectiveness of the seven portfolios in relation to the impact they have at both Trust level and local committee level, specifically the four key areas of Safeguarding, Curriculum and Standards, Ethos and Distinctiveness and Community Partnerships. These are now embedded within the governance structure at a local level and there is a clear distinct link with the portfolio director and the portfolio governor.

The Finance Committee is chaired by a Director and is also attended by the CEO (also Accounting Officer), one other Board Director and the Chief Finance Officer, there is an open invitation for the Chair of the Strategic Board to attend.

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

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

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

Attendance during the year at meetings was as follows:

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

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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

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

The Trust during this Financial year has undertaken a full review of all its operation and has established School performance targets within Education and Finance.

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

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

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

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Academy for Character and Excellence for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.



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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Identification and management of risks

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

Following a tender process in the year The Board of Trustees has decided to appoint an independent firm, Thomson Jenner LLP as internal auditor for a 3 year period. This option for internal scrutiny ensures the appropriate internal experience and qualifications are in place.

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

On a semi-annual basis, the internal auditor reports to the Board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. In 2020-21 this was review and report took the form of one larger one rather than two semi-annual reviews due to time restrictions following appointment.

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

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

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

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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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

**R Willoughby**  
Chair of Trustees  
Date: 9 December 2021

**C Weyman**  
Accounting Officer

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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Academy for Character and Excellence I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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 the ESFA.

**C Weyman**  
Accounting Officer  
Date: 9 December 2021

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**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 the 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 9 December 2021 and signed on its behalf by:

**R Willoughby**  
Chair of Trustees

**C Weyman**  
Accounting Officer

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

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**Opinion**

We have audited the financial statements of The Academy for Character and Excellence (the 'parent Academy') and its subsidiaries (the 'Group') for the year ended 31 August 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Academy balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

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**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- the parent Academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Academy 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.

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

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**Responsibilities of Trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit procedures have reviewed for evidence of management override, any ongoing legal cases, completeness of related party transactions, as well as ongoing consideration of fraud and irregularities during the whole audit process.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

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

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

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**Use of our report**

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

**Misty Nickells FCA (Senior statutory auditor)**

for and on behalf of  
Griffin  
Chartered Accountants  
Registered Auditors  
Exeter Airport Business Park  
Exeter  
EX5 2UX

9 December 2021



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

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

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In accordance with the terms of our engagement letter dated 13 May 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Academy for Character and Excellence and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Academy for Character and Excellence's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of The Academy for Character and Excellence's funding agreement with the Secretary of State for Education dated 13 May 2020 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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**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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Misty Nickells FCA (Senior statutory auditor)**

Reporting Accountant  
Griffin  
Chartered Accountants  
Silverdown Office Park  
Exeter Airport Business Park  
Exeter  
EX5 2UX

Date: 9 December 2021

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

|   | Note | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Restricted<br>fixed asset<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | <i>As restated<br/>Total<br/>funds<br/>2020<br/>£</i> |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|---|
| <b>Income from:</b>   |      |                                    |                                  |   |                             |   |
| Donations and capital grants:                                       | 4    |                                    |                                  |   |                             |   |
| Transfer from local authority on conversion                         |      | 129,405                            | (327,000)                        | 12,055  | (185,540)                   | -   |
| Other donations and capital grants                                  |      | 9,585                              | 259,465                          | 92,848  | 361,898                     | 625,622   |
| Other trading activities  |      | 303,941                            | 104,975                          | -   | 408,916                     | 486,156   |
| Investments   | 7    | 68                                 | -                                | -   | 68                          | 121   |
| Charitable activities   |      | 109,251                            | 6,431,391                        | -   | 6,540,642                   | 5,465,804   |
| <b>Total income</b>   |      | <b>552,250</b>                     | <b>6,468,831</b>                 | <b>104,903</b>                                  | <b>7,125,984</b>            | <b>6,577,703</b>                                      |
| <b>Expenditure on:</b>  |      |                                    |                                  |   |                             |   |
| Raising funds   |      | 232,628                            | -                                | -   | 232,628                     | 234,752   |
| Charitable activities   |      | 32,049                             | 7,217,429                        | 218,053   | 7,467,531                   | 6,309,295   |
| <b>Total expenditure</b>  |      | <b>264,677</b>                     | <b>7,217,429</b>                 | <b>218,053</b>                                  | <b>7,700,159</b>            | <b>6,544,047</b>                                      |
| <b>Net income/(expenditure)</b>                                     |      | <b>287,573</b>                     | <b>(748,598)</b>                 | <b>(113,150)</b>                                | <b>(574,175)</b>            | <b>33,656</b>   |
| Transfers between funds   | 20   | -                                  | (85,730)                         | 85,730  | -                           | -   |
| <b>Net movement in funds before other recognised gains/(losses)</b> |      | <b>287,573</b>                     | <b>(834,328)</b>                 | <b>(27,420)</b>                                 | <b>(574,175)</b>            | <b>33,656</b>   |
| <b>Other recognised gains/(losses):</b>                             |      |                                    |                                  |   |                             |   |
| Actuarial losses on defined benefit pension schemes                 | 29   | -                                  | (691,000)                        | -   | (691,000)                   | (25,000)  |
| <b>Net movement in funds</b>  |      | <b>287,573</b>                     | <b>(1,525,328)</b>               | <b>(27,420)</b>                                 | <b>(1,265,175)</b>          | <b>8,656</b>  |

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT) (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

|                                    | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <i>As restated<br/>Total<br/>funds<br/>2020<br/>£</i> |
|------------------------------------|--|--|--|---------------------------------------|---|
| <b>Reconciliation of funds:</b>    |  |  |  |                                       |   |
| Total funds brought forward        | 177,166                                      | (2,914,318)                                | 6,725,796  | 3,988,644                             | 3,979,988   |
| Net movement in funds              | 287,573                                      | (1,525,328)                                | (27,420)   | (1,265,175)                           | 8,656   |
| <b>Total funds carried forward</b> | <b>464,739</b>                               | <b>(4,439,646)</b>                         | <b>6,698,376</b>   | <b>2,723,469</b>                      | <b>3,988,644</b>                                      |

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

The notes on pages 40 to 75 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

|  | Note | 2021<br>£               | As restated<br>2020<br>£ |
|--|------|-------------------------|--------------------------|
| <b>Fixed assets</b>                            |      |                         |                          |
| Tangible assets                                | 16   | 6,681,376               | 6,549,041                |
|  |      | <u>6,681,376</u>        | <u>6,549,041</u>         |
| <b>Current assets</b>                          |      |                         |                          |
| Debtors  | 17   | 257,719                 | 444,769                  |
| Cash at bank and in hand                       |      | 785,295                 | 443,155                  |
|  |      | <u>1,043,014</u>        | <u>887,924</u>           |
| Creditors: amounts falling due within one year | 18   | (509,921)               | (513,321)                |
| <b>Net current assets</b>                      |      | <u>533,093</u>          | <u>374,603</u>           |
| <b>Total assets less current liabilities</b>   |      | <u>7,214,469</u>        | <u>6,923,644</u>         |
| <b>Net assets excluding pension liability</b>  |      | <u>7,214,469</u>        | <u>6,923,644</u>         |
| Defined benefit pension scheme liability       | 29   | (4,491,000)             | (2,935,000)              |
| <b>Total net assets</b>                        |      | <u><u>2,723,469</u></u> | <u><u>3,988,644</u></u>  |
| <b>Funds of the Academy</b>                    |      |                         |                          |
| <b>Restricted funds:</b>                       |      |                         |                          |
| Fixed asset funds                              | 20   | 6,698,376               | 6,725,796                |
| Restricted income funds                        | 20   | 51,354                  | 20,682                   |
|  |      | <u>6,749,730</u>        | <u>6,746,478</u>         |
| Restricted funds excluding pension asset       | 20   | 6,749,730               | 6,746,478                |
| Pension reserve                                | 20   | (4,491,000)             | (2,935,000)              |
| <b>Total restricted funds</b>                  | 20   | <u>2,258,730</u>        | <u>3,811,478</u>         |
| <b>Unrestricted income funds</b>               | 20   | <u>464,739</u>          | <u>177,166</u>           |
| <b>Total funds</b>                             |      | <u><u>2,723,469</u></u> | <u><u>3,988,644</u></u>  |

The financial statements on pages 33 to 75 were approved by the Trustees, and authorised for issue on 09 December 2021 and are signed on their behalf, by:

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

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**R Willoughby**  
(Chair of Trustees)

The notes on pages 40 to 75 form part of these financial statements.

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

**ACADEMY STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

|  | Note | 2021<br>£               | As restated<br>2020<br>£ |
|--|------|-------------------------|--------------------------|
| <b>Fixed assets</b>                            |      |                         |                          |
| Tangible assets                                | 16   | 6,681,376               | 6,549,041                |
|  |      | <u>6,681,376</u>        | <u>6,549,041</u>         |
| <b>Current assets</b>                          |      |                         |                          |
| Debtors  | 17   | 479,472                 | 544,223                  |
| Cash at bank and in hand                       |      | 575,655                 | 348,157                  |
|  |      | <u>1,055,127</u>        | <u>892,380</u>           |
| Creditors: amounts falling due within one year | 18   | (506,810)               | (509,181)                |
| <b>Net current assets</b>                      |      | <u>548,317</u>          | <u>383,199</u>           |
| <b>Total assets less current liabilities</b>   |      | <u>7,229,693</u>        | <u>6,932,240</u>         |
| <b>Net assets excluding pension liability</b>  |      | <u>7,229,693</u>        | <u>6,932,240</u>         |
| Defined benefit pension scheme liability       | 29   | (4,491,000)             | (2,935,000)              |
| <b>Total net assets</b>                        |      | <u><u>2,738,693</u></u> | <u><u>3,997,240</u></u>  |
| <b>Funds of the Academy</b>                    |      |                         |                          |
| <b>Restricted funds:</b>                       |      |                         |                          |
| Fixed asset funds                              | 20   | 6,698,376               | 6,725,796                |
| Restricted income funds                        | 20   | 51,354                  | 20,682                   |
|  |      | <u>6,749,730</u>        | <u>6,746,478</u>         |
| Restricted funds excluding pension liability   | 20   | 6,749,730               | 6,746,478                |
| Pension reserve                                | 20   | (4,491,000)             | (2,935,000)              |
| <b>Total restricted funds</b>                  | 20   | <u>2,258,730</u>        | <u>3,811,478</u>         |
| Unrestricted income funds                      |      |                         |                          |
| Unrestricted funds excluding pension asset     | 20   | 502,902                 | 185,762                  |
| <b>Total unrestricted income funds</b>         | 20   | <u>479,963</u>          | <u>185,762</u>           |
| <b>Total funds</b>                             |      | <u><u>2,738,693</u></u> | <u><u>3,997,240</u></u>  |

The financial statements on pages 33 to 75 were approved by the Trustees, and authorised for issue on 09 December 2021 and are signed on their behalf, by:

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

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**ACADEMY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**R Willoughby**  
(Chair of Trustees)

The notes on pages 40 to 75 form part of these financial statements.



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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

|   | <b>Note</b> | <b>2021</b><br>£ | <i>As restated</i><br><b>2020</b><br>£ |
|---|-------------|------------------|--|
| <b>Cash flows from operating activities</b>             |             |                  |  |
| Net cash provided by operating activities               | 22          | <b>309,706</b>   | 221,877                                |
| <b>Cash flows from investing activities</b>             |             |                  |  |
| Cash flows from investing activities                    | 24          | <b>(96,971)</b>  | 75,495                                 |
| <b>Cash flows from financing activities</b>             |             |                  |  |
| Cash flows from financing activities                    | 23          | <b>129,405</b>   | -                                      |
| <b>Change in cash and cash equivalents in the year</b>  |             | <b>342,140</b>   | 297,372                                |
| Cash and cash equivalents at the beginning of the year  |             | <b>443,155</b>   | 145,783                                |
| <b>Cash and cash equivalents at the end of the year</b> | 25, 26      | <b>785,295</b>   | <b>443,155</b>                         |

The notes on pages 40 to 75 form part of these financial statements

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. General information**

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

**2. Accounting policies**

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

**2.1 Basis of preparation of financial statements**

The financial statements of the Group, 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

A wholly owned subsidiary company, ACE Enhanced Services Limited (AES), was incorporated on 26 January 2017 with the intention that this company would operate pre-schools on the Academy Trust sites.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Academy has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

**2.2 Going concern**

The Board of Trustee has a reasonable expectation that the Trust has adequate resources to continue to operate for the foreseeable future. The Trustees have considered a number of factors in arriving at this conclusion. The Academy has a strong reserves position at 31 August 2021 of £516,093, with £785,295 held of cash at this date. The budget for 2021/22 is forecasting a surplus. A 3-year budget has also been prepared which shows a surplus expected in 2023 and a break-even position for 2024 hence the Trust reserves position is expected to improve over the next couple of years. This will leave the Trust in a much stronger position to continue investment and still continue to operate within the reserves policy.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.3 Income**

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

• **Grants**

Grants are included in the Consolidated 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 Consolidated statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Group 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 Group. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.4 Expenditure**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**2.5 Interest receivable**

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

**2.6 Taxation**

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

|                              |                                      |
|------------------------------|--------------------------------------|
| Long-term leasehold property | - Building 50 years / Land 125 years |
| Furniture and equipment      | - 15% straight line                  |
| Computer equipment           | - 33% straight line                  |
| Motor vehicles               | - 25% reducing balance               |

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated 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, Brixham Church of England Primary School and Galmpton Church of England Primary School, from the Diocese of Exeter under a Supplemental Agreement which grants the Academy Trust a license to occupy the land and buildings.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**2.9 Debtors**

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

**2.10 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.11 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 Group 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.

**2.12 Financial instruments**

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group 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 17. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

**2.13 Operating leases**

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

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**2. Accounting policies (continued)**

**2.14 Pensions**

Retirement benefits to employees of the Group 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 Group 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 Group 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 Consolidated 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.

**2.15 Fund accounting**

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

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

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

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

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**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

**4. Income from donations and capital grants**

|   | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <i>As restated<br/>Total<br/>funds<br/>2020<br/>£</i> |
|---|--|--|--|---------------------------------------|---|
| Donations                               | 9,585  | 259,465                                    | -  | <b>269,050</b>                        | 236,205   |
| Capital Grants                          | -  | -  | 92,848   | <b>92,848</b>                         | 389,417   |
| Transfer of academies joining the trust | 129,405                                      | (327,000)                                  | 12,055   | <b>(185,540)</b>                      | -   |
|   | <u>138,990</u>                               | <u>(67,535)</u>                            | <u>104,903</u>   | <u><b>176,358</b></u>                 | <u>625,622</u>  |
| <i>Total 2020 as restated</i>           | <u><u>31,990</u></u>                         | <u><u>175,602</u></u>                      | <u><u>418,030</u></u>                                      | <u><u>625,622</u></u>                 |   |



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**4. Income from donations and capital grants (continued)**

Included in donations is £200,000 (2020: £150,000) of donated facilities. The Trust is grateful to the Diocese of Exeter for the use of its land and buildings. The estimated value of these services is recognised within incoming resources as a donation and an equivalent charge included within rent costs.

**5. Funding for the Academy's education**

|   | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>DfE/ESFA grants</b>                            |                                    |                                  |                             |                             |
| Other DfE/ESFA grants                             |                                    |                                  |                             |                             |
| General Annual Grant                              | -                                  | 4,965,464                        | <b>4,965,464</b>            | 4,156,502                   |
| Start up grants                                   | -                                  | -                                | -                           | 50,000                      |
| Other DfE/ESFA grants                             | -                                  | 132,368                          | <b>132,368</b>              | 218,391                     |
| Pupil Premium                                     | -                                  | 412,589                          | <b>412,589</b>              | 376,773                     |
| Teacher pay and teacher pension                   | -                                  | 223,892                          | <b>223,892</b>              | 255,751                     |
| UIFSM   | -                                  | 158,503                          | <b>158,503</b>              | 137,831                     |
|   | -                                  | 5,892,816                        | <b>5,892,816</b>            | 5,195,248                   |
| <b>Other Government grants</b>                    |                                    |                                  |                             |                             |
| Other government grants                           | -                                  | 75,371                           | <b>75,371</b>               | 6,634                       |
| High needs  | -                                  | 289,287                          | <b>289,287</b>              | 168,980                     |
|   | -                                  | 364,658                          | <b>364,658</b>              | 175,614                     |
| <b>Other income from the Academy's education</b>  | 109,251                            | -                                | <b>109,251</b>              | 94,942                      |
| <b>COVID-19 additional funding (DfE/ESFA)</b>     |                                    |                                  |                             |                             |
| Catch-up Premium                                  | -                                  | 96,960                           | <b>96,960</b>               | -                           |
| Other DfE/ESFA COVID-19 funding                   | -                                  | 41,945                           | <b>41,945</b>               | -                           |
|   | -                                  | 138,905                          | <b>138,905</b>              | -                           |
| <b>COVID-19 additional funding (non-DfE/ESFA)</b> |                                    |                                  |                             |                             |
| Other COVID-19 funding                            | -                                  | 35,012                           | <b>35,012</b>               | -                           |
|   | -                                  | 35,012                           | <b>35,012</b>               | -                           |
|   | 109,251                            | 6,431,391                        | <b>6,540,642</b>            | 5,465,804                   |
| <i>Total 2020</i>                                 | 94,942                             | 5,370,862                        | 5,465,804                   |                             |

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**5. Funding for the Academy's education (continued)**

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the group's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Trust received £96,960 of catch-up premium and the income had been fully spent at the year end. The catch-up premium was used for increased professional development of teachers with a focus of Assessment for Learning and targeted academic support..

The Trust also received £20,291 for additional free school meals income which was used for the additional catering costs during COVID-19 and this had been fully spent at the year end. £21,654 has been received by the Trust for National Tutoring Programme from the ESFA for the additional tutoring costs which had been fully spent at the year end.

The Trust received £35,012 from the local authority for additional teaching costs and other COVID related additional costs. At the year end, the income had been fully spent.

**6. Income from other trading activities**

|  | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <i>As restated<br/>Total<br/>funds<br/>2020<br/>£</i> |
|--|--|--|---------------------------------------|---|
| Lettings                                 | 1,497  | -  | <b>1,497</b>                          | 2,237   |
| Other trading income                     | -  | -  | -                                     | 639   |
| Consultancy                              | -  | 104,975                                    | <b>104,975</b>                        | 175,082   |
| Fees received                            | 66,444                                       | -  | <b>66,444</b>                         | 64,598  |
| Income from ancillary trading activities | 236,000                                      | -  | <b>236,000</b>                        | 243,600   |
|  | <u>303,941</u>                               | <u>104,975</u>                             | <u><b>408,916</b></u>                 | <u>486,156</u>  |
| <i>Total 2020 as restated</i>            | <u>311,074</u>                               | <u>175,082</u>                             | <u>486,156</u>                        |   |

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**7. Investment income**

|                   | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|-------------------|--|---------------------------------------|---------------------------------------|
| Bank interest     | 68   | <b>68</b>                             | 121                                   |
| <i>Total 2020</i> | <u>121</u>                                   | <u><b>121</b></u>                     |                                       |

**8. Expenditure**

|  | <b>Staff Costs<br/>2021<br/>£</b> | <b>Premises<br/>2021<br/>£</b> | <b>Other<br/>2021<br/>£</b> | <b>Total<br/>2021<br/>£</b> | <i>As restated<br/>Total<br/>2020<br/>£</i> |
|--|-----------------------------------|--------------------------------|-----------------------------|-----------------------------|---|
| Expenditure on fundraising trading activities: |                                   |                                |                             |                             |   |
| Direct costs                                   | 229,482                           | -                              | 3,146                       | <b>232,628</b>              | 234,752                                     |
| Education:                                     |                                   |                                |                             |                             |   |
| Direct costs                                   | 4,666,213                         | 97,528                         | 451,111                     | <b>5,214,852</b>            | 4,460,159                                   |
| Allocated support costs                        | 806,490                           | 739,782                        | 706,407                     | <b>2,252,679</b>            | 1,849,136                                   |
|  | <u>5,702,185</u>                  | <u>837,310</u>                 | <u>1,160,664</u>            | <u><b>7,700,159</b></u>     | <u>6,544,047</u>                            |
| <i>Total 2020 as restated</i>                  | <u><b>4,817,661</b></u>           | <u><b>742,810</b></u>          | <u><b>983,576</b></u>       | <u><b>6,544,047</b></u>     |   |

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**9. Analysis of expenditure by activities**

|                   | <b>Activities<br/>undertaken<br/>directly<br/>2021<br/>£</b> | <b>Support<br/>costs<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|-------------------|--|---|---------------------------------------|---------------------------------------|
| Education         | 5,214,852  | 2,252,679                               | <b>7,467,531</b>                      | 6,309,295                             |
| <i>Total 2020</i> | <u>4,460,159</u>   | <u>1,849,136</u>                        | <u>6,309,295</u>                      |                                       |

**Analysis of direct costs**

|                      | <b>Education<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|----------------------|---------------------------------|---------------------------------------|---------------------------------------|
| Staff costs          | 4,617,788                       | <b>4,617,788</b>                      | 4,008,599                             |
| Depreciation         | 174,737                         | <b>174,737</b>                        | 157,194                               |
| Educational supplies | 160,372                         | <b>160,372</b>                        | 105,781                               |
| Staff development    | 58,746                          | <b>58,746</b>                         | 25,970                                |
| Other costs          | 21,753                          | <b>21,753</b>                         | 25,633                                |
| Supply teachers      | 62,564                          | <b>62,564</b>                         | 24,361                                |
| Technology costs     | 118,892                         | <b>118,892</b>                        | 112,621                               |
|                      | <u>5,214,852</u>                | <u>5,214,852</u>                      | <u>4,460,159</u>                      |
| <i>Total 2020</i>    | <u>4,460,159</u>                | <u>4,460,159</u>                      |                                       |

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**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

|                                       | <b>Education<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|---------------------------------------|---------------------------------|---------------------------------------|---------------------------------------|
| Pension finance costs                 | 51,000                          | <b>51,000</b>                         | 46,000                                |
| Staff costs                           | 806,490                         | <b>806,490</b>                        | 581,457                               |
| Depreciation                          | 43,316                          | <b>43,316</b>                         | 24,703                                |
| Other costs                           | -                               | -                                     | 17,778                                |
| Recruitment and other staff costs     | 34,895                          | <b>34,895</b>                         | 20,448                                |
| Maintenance of premises and equipment | 202,697                         | <b>202,697</b>                        | 139,239                               |
| Cleaning                              | 182,019                         | <b>182,019</b>                        | 171,215                               |
| Rent and rates                        | 255,381                         | <b>255,381</b>                        | 193,272                               |
| Heat and light                        | 75,582                          | <b>75,582</b>                         | 66,847                                |
| Insurance                             | 22,071                          | <b>22,071</b>                         | 26,652                                |
| Security and transport                | 15,795                          | <b>15,795</b>                         | 25,178                                |
| Catering                              | 198,601                         | <b>198,601</b>                        | 170,561                               |
| Technology costs                      | 110,250                         | <b>110,250</b>                        | 89,431                                |
| Office overheads                      | 75,432                          | <b>75,432</b>                         | 84,222                                |
| Legal and professional                | 168,920                         | <b>168,920</b>                        | 191,117                               |
| Bank interest and charges             | 970                             | <b>970</b>                            | 1,016                                 |
| Governance costs                      | 9,260                           | <b>9,260</b>                          | -                                     |
|                                       | <u>2,252,679</u>                | <u><b>2,252,679</b></u>               | <u>1,849,136</u>                      |
| <i>Total 2020</i>                     | <u>1,849,136</u>                | <u>1,849,136</u>                      |                                       |

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**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

|                                       | <b>2021</b>         | <b>2020</b>  |
|---------------------------------------|---------------------|--------------|
|                                       | £                   | £            |
| Operating lease rentals               | <b>34,833</b>       | 33,148       |
| Depreciation of tangible fixed assets | <b>218,055</b>      | 181,898      |
| Fees paid to auditors for:            |                     |              |
| - audit                               | <b>9,200</b>        | 7,950        |
| - other services                      | <b>5,255</b>        | 3,045        |
|                                       | <u><b>5,255</b></u> | <u>3,045</u> |

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

|                           | <b>Group<br/>2021</b>   | <i>Group<br/>2020</i> | <b>Academy<br/>2021</b> | <i>Academy<br/>2020</i> |
|---------------------------|-------------------------|-----------------------|-------------------------|-------------------------|
|                           | £                       | £                     | £                       | £                       |
| Wages and salaries        | <b>3,976,853</b>        | 3,480,248             | <b>3,777,823</b>        | 3,291,372               |
| Social security costs     | <b>318,389</b>          | 273,033               | <b>309,375</b>          | 263,666                 |
| Pension costs             | <b>1,299,166</b>        | 1,040,019             | <b>1,291,867</b>        | 1,035,018               |
|                           | <u><b>5,594,408</b></u> | <u>4,793,300</u>      | <u><b>5,379,065</b></u> | <u>4,590,056</u>        |
| Agency staff costs        | <b>62,564</b>           | 24,361                | <b>62,564</b>           | 24,361                  |
| Staff restructuring costs | <b>45,213</b>           | -                     | <b>45,213</b>           | -                       |
|                           | <u><b>5,702,185</b></u> | <u>4,817,661</u>      | <u><b>5,486,842</b></u> | <u>4,614,417</u>        |

Staff restructuring costs comprise:

|                     | <b>Group<br/>2021</b> | <i>Group<br/>2020</i> | <b>Academy<br/>2021</b> | <i>Academy<br/>2020</i> |
|---------------------|-----------------------|-----------------------|-------------------------|-------------------------|
|                     | £                     | £                     | £                       | £                       |
| Redundancy payments | <b>25,213</b>         | -                     | <b>25,213</b>           | -                       |
| Severance payments  | <b>20,000</b>         | -                     | <b>20,000</b>           | -                       |
|                     | <u><b>45,213</b></u>  | <u>-</u>              | <u><b>45,213</b></u>    | <u>-</u>                |

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**11. Staff (continued)**

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £20,000 (2020: £Nil). Individually, the payment was a single £20,000.

**c. Staff numbers**

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

|                            | <b>Group<br/>2021<br/>No.</b> | <i>Group<br/>2020<br/>No.</i> | <b>Academy<br/>2021<br/>No.</b> | <i>Academy<br/>2020<br/>No.</i> |
|----------------------------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Teachers                   | 56                            | 67                            | 62                              | 67                              |
| Administration and support | 145                           | 122                           | 128                             | 107                             |
| Management                 | 9                             | 12                            | 3                               | 12                              |
|                            | <u>210</u>                    | <u>201</u>                    | <u>193</u>                      | <u>186</u>                      |

The average headcount expressed as full-time equivalents was:

|                            | <b>Group<br/>2021<br/>No.</b> | <i>Group<br/>2020<br/>No.</i> | <b>Academy<br/>2021<br/>No.</b> | <i>Academy<br/>2020<br/>No.</i> |
|----------------------------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Teachers                   | 45                            | 34                            | 45                              | 34                              |
| Administration and support | 86                            | 77                            | 73                              | 64                              |
| Management                 | 9                             | 11                            | 9                               | 11                              |
|                            | <u>140</u>                    | <u>122</u>                    | <u>127</u>                      | <u>109</u>                      |

**d. Higher paid staff**

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

|                                | <b>Group<br/>2021<br/>No.</b> | <i>Group<br/>2020<br/>No.</i> |
|--------------------------------|-------------------------------|-------------------------------|
| In the band £60,001 - £70,000  | 1                             | -                             |
| In the band £70,001 - £80,000  | 1                             | 1                             |
| In the band £90,001 - £100,000 | 1                             | 1                             |
|                                | <u>1</u>                      | <u>1</u>                      |

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**11. Staff (continued)**

**e. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £297,587 (2020 : £275,619). The interim head of finance of the Trust costs were invoiced directly from an independent company to the Trust. The total cost to the Trust for key management personnel services was £31,324 (2020: £40,792).

**12. Central services**

The Group has provided the following central services (discussed in further detail within pages 5 to 7 in the Trustees report) to its academies during the year:

- Leadership support
- School improvement support
- Curriculum support
- Finance management
- HR and Payroll support
- Safeguarding and inclusion support
- Healthy communities and catering support
- Estates, compliance and health and safety support
- Governance support
- Website and graphic design support

The Group charges for these services on the following basis:

The Central recharge is based on GAG income ratios. In 2021, this represented 11.6% of income (excluding transfers on conversion) (2020: 7% of General Annual Grant income and a direct charge for staff functions, computer screens and legal and professional services).

The actual amounts charged during the year were as follows:

|   | <b>2021</b>    | <i>As restated</i> |
|---|----------------|--------------------|
|   | £              | 2020               |
|   |                | £                  |
| Shaldon Primary School                            | <b>137,416</b> | 117,041            |
| Redhills Community Primary School                 | <b>174,981</b> | 175,489            |
| Galmpton Church of England Primary School         | <b>143,809</b> | 118,718            |
| Collaton St Mary Church of England Primary School | <b>144,727</b> | 125,722            |
| Totnes St John's C of E Primary School            | <b>95,848</b>  | 97,696             |
| Brixham C of E Primary School                     | <b>155,183</b> | -                  |
| <b>Total</b>                                      | <b>851,964</b> | <b>634,666</b>     |



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**13. Trustees' remuneration and expenses**

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

|               |                            | <b>2021</b>     | <b>2020</b>     |
|---------------|----------------------------|-----------------|-----------------|
|               |                            | <b>£</b>        | <b>£</b>        |
| C Weyman, CEO | Remuneration               | <b>95,000 -</b> | <i>90,000 -</i> |
|               |                            | <b>100,000</b>  | <i>95,000</i>   |
|               | Pension contributions paid | <b>20,000 -</b> | <i>20,000 -</i> |
|               |                            | <b>25,000</b>   | <i>25,000</i>   |

During the year ended 31 August 2021, expenses totalling £185 were reimbursed or paid directly to 1 Trustee (2020 - £306 to 3 Trustees). The nature of the expenses reimbursed was for mileage claims.

**14. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Group has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and this cover is provided by Zurich. The cost for the year ended 31 August 2021 was £19,966, however this was 'All Risk Insurance' and hence it isn't possible to quantify the Trustees' and Officers' indemnity element from the overall cost of the insurance.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**15. Intangible assets**

**Group and Academy**

|                          | <b>Computer<br/>software<br/>£</b> |
|--------------------------|------------------------------------|
| <b>Cost</b>              |                                    |
| At 1 September 2020      | <b>8,663</b>                       |
| At 31 August 2021        | <b>8,663</b>                       |
| <b>Amortisation</b>      |                                    |
| At 1 September 2020      | <b>8,663</b>                       |
| At 31 August 2021        | <b>8,663</b>                       |
| <b>Net book value</b>    |                                    |
| At 31 August 2021        | <b>-</b>                           |
| <i>At 31 August 2020</i> | <b>-</b>                           |

**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Tangible fixed assets**

**Group and Academy**

|                          | Long-term<br>leasehold<br>property<br>£ | Furniture<br>and<br>equipment<br>£ | Computer<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£       |
|--------------------------|---|------------------------------------|----------------------------|------------------------|------------------|
| <b>Cost or valuation</b> |   |                                    |                            |                        |                  |
| At 1 September 2020      | 6,749,590                               | 291,669                            | 123,553                    | 10,995                 | 7,175,807        |
| Additions                | 236,123                                 | 12,781                             | 89,431                     | -                      | 338,335          |
| Acquired on conversion   | -                                       | 7,000                              | 5,055                      | -                      | 12,055           |
| At 31 August 2021        | <u>6,985,713</u>                        | <u>311,450</u>                     | <u>218,039</u>             | <u>10,995</u>          | <u>7,526,197</u> |
| <b>Depreciation</b>      |   |                                    |                            |                        |                  |
| At 1 September 2020      | 448,774                                 | 89,660                             | 85,082                     | 3,250                  | 626,766          |
| Charge for the year      | 121,367                                 | 45,544                             | 47,647                     | 3,497                  | 218,055          |
| At 31 August 2021        | <u>570,141</u>                          | <u>135,204</u>                     | <u>132,729</u>             | <u>6,747</u>           | <u>844,821</u>   |
| <b>Net book value</b>    |   |                                    |                            |                        |                  |
| At 31 August 2021        | <u>6,415,572</u>                        | <u>176,246</u>                     | <u>85,310</u>              | <u>4,248</u>           | <u>6,681,376</u> |
| At 31 August 2020        | <u>6,300,816</u>                        | <u>202,009</u>                     | <u>38,471</u>              | <u>7,745</u>           | <u>6,549,041</u> |

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, Brixham Church of England Primary School, and Galmpton Church of England Primary School, from the Diocese of Exeter under a Supplemental Agreement which grants the Academy Trust a license to occupy the land and buildings.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**17. Debtors**

|                                    | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Academy<br/>2021<br/>£</b> | <i>Academy<br/>2020<br/>£</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>Due within one year</b>         |                             |                             |                               |                               |
| Trade debtors                      | <b>31,064</b>               | <i>64,940</i>               | <b>25,520</b>                 | <i>64,494</i>                 |
| Amounts owed by group undertakings | -                           | -                           | <b>228,594</b>                | <i>101,171</i>                |
| Prepayments and accrued income     | <b>173,095</b>              | <i>316,225</i>              | <b>171,798</b>                | <i>314,954</i>                |
| Tax recoverable                    | <b>53,560</b>               | <i>63,604</i>               | <b>53,560</b>                 | <i>63,604</i>                 |
|                                    | <b>257,719</b>              | <i>444,769</i>              | <b>479,472</b>                | <i>544,223</i>                |

**18. Creditors: Amounts falling due within one year**

|                                    | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Academy<br/>2021<br/>£</b> | <i>Academy<br/>2020<br/>£</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors                    | <b>121,177</b>              | <i>225,480</i>              | <b>121,147</b>                | <i>222,780</i>                |
| Other taxation and social security | <b>74,210</b>               | <i>54,573</i>               | <b>72,569</b>                 | <i>54,573</i>                 |
| Other creditors                    | <b>89,211</b>               | <i>72,891</i>               | <b>89,211</b>                 | <i>72,891</i>                 |
| Accruals and deferred income       | <b>225,323</b>              | <i>160,377</i>              | <b>223,883</b>                | <i>158,937</i>                |
|                                    | <b>509,921</b>              | <i>513,321</i>              | <b>506,810</b>                | <i>509,181</i>                |

|  | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Academy<br/>2021<br/>£</b> | <i>Academy<br/>2020<br/>£</i> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Deferred income at 1 September 2020    | <b>77,678</b>               | <i>78,074</i>               | <b>77,678</b>                 | <i>78,074</i>                 |
| Resources deferred during the year     | <b>92,462</b>               | <i>77,678</i>               | <b>92,462</b>                 | <i>77,678</i>                 |
| Amounts released from previous periods | <b>(77,678)</b>             | <i>(78,074)</i>             | <b>(77,678)</b>               | <i>(78,074)</i>               |
|  | <b>92,462</b>               | <i>77,678</i>               | <b>92,462</b>                 | <i>77,678</i>                 |

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

**19. Prior year adjustments**

At 31st August 2021, the accounts have been consolidated with ACE Enhanced Services. Therefore, the prior year balances and opening balances have been restated where necessary to reflect the group position at the year end.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**20. Statement of funds**

|                                     | <b>As restated<br/>Balance at 1<br/>September<br/>2020<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>in/out<br/>£</b> | <b>Gains/<br/>(Losses)<br/>£</b> | <b>Balance at<br/>31 August<br/>2021<br/>£</b> |
|-------------------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| <b>Unrestricted<br/>funds</b>       |  |                     |                          |                                   |                                  |  |
| General funds                       | <b>177,166</b>   | <b>552,250</b>      | <b>(264,677)</b>         | -                                 | -                                | <b>464,739</b>                                 |
| <b>Restricted<br/>general funds</b> |  |                     |                          |                                   |                                  |  |
| General Annual Grant                | -  | <b>4,965,464</b>    | <b>(4,879,734)</b>       | <b>(85,730)</b>                   | -                                | -  |
| High Needs                          | -  | <b>364,247</b>      | <b>(364,247)</b>         | -                                 | -                                | -  |
| Donations                           | <b>1,982</b>   | <b>59,465</b>       | <b>(58,045)</b>          | -                                 | -                                | <b>3,402</b>                                   |
| Diocese Land and Building Rent      | -  | <b>200,000</b>      | <b>(200,000)</b>         | -                                 | -                                | -  |
| Pupil Premium                       | -  | <b>412,589</b>      | <b>(412,589)</b>         | -                                 | -                                | -  |
| UIFSM                               | -  | <b>158,503</b>      | <b>(158,503)</b>         | -                                 | -                                | -  |
| Other DfE/ESFA Grants               | <b>18,700</b>  | <b>356,260</b>      | <b>(327,008)</b>         | -                                 | -                                | <b>47,952</b>                                  |
| Other Restricted Income             | -  | <b>105,386</b>      | <b>(105,386)</b>         | -                                 | -                                | -  |
| Catch-up premium                    | -  | <b>96,960</b>       | <b>(96,960)</b>          | -                                 | -                                | -  |
| Other COVID income                  | -  | <b>76,957</b>       | <b>(76,957)</b>          | -                                 | -                                | -  |
| Pension reserve                     | <b>(2,935,000)</b>   | <b>(327,000)</b>    | <b>(538,000)</b>         | -                                 | <b>(691,000)</b>                 | <b>(4,491,000)</b>                             |
|                                     | <b>(2,914,318)</b>   | <b>6,468,831</b>    | <b>(7,217,429)</b>       | <b>(85,730)</b>                   | <b>(691,000)</b>                 | <b>(4,439,646)</b>                             |

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

|  | As restated<br>Balance at 1<br>September<br>2020 | Income                  | Expenditure               | Transfers<br>in/out | Gains/<br>(Losses)      | Balance at<br>31 August<br>2021 |
|--|--|-------------------------|---------------------------|---------------------|-------------------------|---------------------------------|
|  | £  | £                       | £                         | £                   | £                       | £                               |
| <b>Restricted fixed<br/>asset<br/>funds</b>  |  |                         |                           |                     |                         |                                 |
| Fixed assets<br>transferred on<br>conversion | 5,891,063  | 12,055                  | (119,732)                 | -                   | -                       | 5,783,386                       |
| Fixed assets<br>purchased from<br>GAG        | 32,644   | -                       | (16,329)                  | 85,730              | -                       | 102,045                         |
| DfE/ESFA<br>Capital Grants                   | 706,785  | 75,848                  | (59,240)                  | -                   | -                       | 723,393                         |
| Other restricted<br>funds                    | 95,304   | 17,000                  | (22,752)                  | -                   | -                       | 89,552                          |
|  | <u>6,725,796</u>                                 | <u>104,903</u>          | <u>(218,053)</u>          | <u>85,730</u>       | <u>-</u>                | <u>6,698,376</u>                |
| <b>Total Restricted<br/>funds</b>            | <u>3,811,478</u>                                 | <u>6,573,734</u>        | <u>(7,435,482)</u>        | <u>-</u>            | <u>(691,000)</u>        | <u>2,258,730</u>                |
| <b>Total funds</b>                           | <u><u>3,988,644</u></u>                          | <u><u>7,125,984</u></u> | <u><u>(7,700,159)</u></u> | <u><u>-</u></u>     | <u><u>(691,000)</u></u> | <u><u>2,723,469</u></u>         |

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

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

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**20. Statement of funds (continued)**

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

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

**Catch-up premium** - This represents income received from the ESFA to help pupils catch up on missed education because of Covid-19.

**Other COVID income** - This represents income received from the ESFA and Local Authority to deliver additional free school meals during the Covid-19 pandemic.

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

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

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

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

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**20. Statement of funds (continued)**

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

|                                 | <i>As restated<br/>Balance at<br/>1 September<br/>2019<br/>£</i> | <i>As restated<br/>Income<br/>£</i> | <i>As restated<br/>Expenditure<br/>£</i> | <i>Transfers<br/>in/out<br/>£</i> | <i>Gains/<br/>(Losses)<br/>£</i> | <i>As restated<br/>Balance at<br/>31 August<br/>2020<br/>£</i> |
|---------------------------------|--|-------------------------------------|--|-----------------------------------|----------------------------------|--|
| <b>Unrestricted funds</b>       |  |                                     |  |                                   |                                  |  |
| General funds                   | 20,418   | 458,127                             | (301,379)                                | -                                 | -                                | 177,166  |
| <b>Restricted general funds</b> |  |                                     |  |                                   |                                  |  |
| General Annual Grant            | -  | 4,156,502                           | (4,156,924)                              | 422                               | -                                | -  |
| High Needs                      | -  | 168,980                             | (168,980)                                | -                                 | -                                | -  |
| Donations                       | -  | 25,602                              | (23,620)                                 | -                                 | -                                | 1,982  |
| Diocese Land and Building Rent  | -  | 150,000                             | (150,000)                                | -                                 | -                                | -  |
| Pupil Premium                   | -  | 376,773                             | (376,773)                                | -                                 | -                                | -  |
| UIFSM                           | -  | 137,831                             | (137,831)                                | -                                 | -                                | -  |
| Other DfE/ESFA Grants           | -  | 530,776                             | (512,076)                                | -                                 | -                                | 18,700   |
| Other Restricted Income         | 485  | 175,082                             | (175,567)                                | -                                 | -                                | -  |
| Pension reserve                 | (2,531,000)  | -                                   | (379,000)                                | -                                 | (25,000)                         | (2,935,000)  |
|                                 | <u>(2,530,515)</u>   | <u>5,721,546</u>                    | <u>(6,080,771)</u>                       | <u>422</u>                        | <u>(25,000)</u>                  | <u>(2,914,318)</u>   |



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

|  | <i>As restated<br/>Balance at 1<br/>September<br/>2019</i> | <i>As restated<br/>Income</i> | <i>As restated<br/>Expenditure</i> | <i>Transfers<br/>in/out</i> | <i>Gains/<br/>(Losses)</i> | <i>As restated<br/>Balance at<br/>31 August<br/>2020</i> |
|--|--|-------------------------------|------------------------------------|-----------------------------|----------------------------|--|
|  | £  | £                             | £                                  | £                           | £                          | £  |
| <b>Restricted fixed<br/>asset<br/>funds</b>  |  |                               |                                    |                             |                            |  |
| Fixed assets<br>transferred on<br>conversion | 6,052,016  | -                             | (160,953)                          | -                           | -                          | 5,891,063  |
| Fixed assets<br>purchased from<br>GAG        | 29,973   | -                             | (20,197)                           | 22,868                      | -                          | 32,644   |
| DfE/ESFA<br>Capital Grants                   | 408,096  | 350,179                       | (17,474)                           | (34,016)                    | -                          | 706,785  |
| Other restricted<br>funds                    | -  | 67,851                        | 16,727                             | 10,726                      | -                          | 95,304   |
|  | <u>6,490,085</u>   | <u>418,030</u>                | <u>(181,897)</u>                   | <u>(422)</u>                | <u>-</u>                   | <u>6,725,796</u>   |
| <b>Total Restricted<br/>funds</b>            | <u>3,959,570</u>   | <u>6,139,576</u>              | <u>(6,262,668)</u>                 | <u>-</u>                    | <u>(25,000)</u>            | <u>3,811,478</u>   |
| <b>Total funds</b>                           | <u><u>3,979,988</u></u>                                    | <u><u>6,597,703</u></u>       | <u><u>(6,564,047)</u></u>          | <u><u>-</u></u>             | <u><u>(25,000)</u></u>     | <u><u>3,988,644</u></u>                                  |

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

**Total funds analysis by academy**

During the year, it was decided that The Academy for Character and Excellence would use GAG pooling for this academic year and going forwards.

Fund balances at 31 August 2021 were allocated as follows:

|  | <b>2021</b>        | <i>As restated</i> |
|--|--------------------|--------------------|
|  | <b>£</b>           | <b>2020</b>        |
|  |                    | <b>£</b>           |
| Shaldon Primary School                             | -                  | (16,961)           |
| Redhills Community Primary School                  | -                  | 103,389            |
| Central  | -                  | (411,108)          |
| Galmpton Church of England Primary School          | -                  | 249,745            |
| Collaton St Mary Church of England Primary School  | -                  | 370,965            |
| Totnes St Johns                                    | -                  | (98,182)           |
| The Academy for Character and Excellence           | <b>516,093</b>     | -                  |
|  | <hr/>              | <hr/>              |
| Total before fixed asset funds and pension reserve | <b>516,093</b>     | 197,848            |
| Restricted fixed asset fund                        | <b>6,698,376</b>   | 6,725,796          |
| Pension reserve                                    | <b>(4,491,000)</b> | (2,935,000)        |
|  | <hr/>              | <hr/>              |
| <b>Total</b>                                       | <b>2,723,469</b>   | <b>3,988,644</b>   |
|  | <hr/> <hr/>        | <hr/> <hr/>        |

**THE ACADEMY FOR CHARACTER AND EXCELLENCE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. Statement of funds (continued)**

**Total cost analysis by academy**

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

|   | <b>Teaching<br/>and<br/>educational<br/>support<br/>staff costs</b> | <b>Other<br/>support<br/>staff costs</b> | <b>Educational<br/>supplies</b> | <b>Other costs<br/>excluding<br/>depreciation</b> | <b>Total<br/>2021</b> | <i>As Restated<br/>Total<br/>2020</i> |
|---|---|--|---------------------------------|---|-----------------------|---------------------------------------|
|   | £   | £  | £                               | £   | £                     | £                                     |
| Shaldon Primary School                            | 572,147   | 36,851                                   | 42,732                          | 149,280   | <b>801,010</b>        | 835,291                               |
| Redhills Community Primary School                 | 729,609   | 118,689                                  | 54,613                          | 178,514   | <b>1,081,425</b>      | 1,262,872                             |
| Central   | 354,404   | 235,978                                  | 122,011                         | 503,933   | <b>1,216,326</b>      | 1,448,059                             |
| Galmpton Church of England Primary School         | 601,353   | 141,782                                  | 35,887                          | 175,259   | <b>954,281</b>        | 812,896                               |
| Collaton St Mary Church of England Primary School | 621,340   | 99,243                                   | 47,509                          | 193,844   | <b>961,936</b>        | 851,120                               |
| Totnes St Johns                                   | 570,477   | 70,004                                   | 56,120                          | 222,759   | <b>919,360</b>        | 792,912                               |
| Brixham Church of England Primary School          | 681,458   | 103,943                                  | 63,455                          | 170,912   | <b>1,019,768</b>      | -                                     |
| <b>Total</b>                                      | <b>4,130,788</b>  | <b>806,490</b>                           | <b>422,327</b>                  | <b>1,594,501</b>                                  | <b>6,954,106</b>      | <b>6,003,150</b>                      |

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**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|  | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>fixed asset<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets                  | -  | -  | 6,681,376  | <b>6,681,376</b>                      |
| Current assets                         | 442,284                                      | 583,730                                    | 17,000   | <b>1,043,014</b>                      |
| Creditors due within one year          | 22,455                                       | (532,376)                                  | -  | <b>(509,921)</b>                      |
| Provisions for liabilities and charges | -  | (4,491,000)                                | -  | <b>(4,491,000)</b>                    |
| <b>Total</b>                           | <b>464,739</b>                               | <b>(4,439,646)</b>                         | <b>6,698,376</b>   | <b>2,723,469</b>                      |

**Analysis of net assets between funds - prior year**

|  | <i>As Restated<br/>Unrestricted<br/>funds<br/>2020<br/>£</i> | <i>Restricted<br/>funds<br/>2020<br/>£</i> | <i>Restricted<br/>fixed asset<br/>funds<br/>2020<br/>£</i> | <i>Total<br/>funds<br/>2020<br/>£</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets                  | -  | -  | 6,549,041  | 6,549,041                             |
| Current assets                         | 181,306  | 529,863                                    | 176,755  | 887,924                               |
| Creditors due within one year          | (4,140)  | (509,181)                                  | -  | (513,321)                             |
| Provisions for liabilities and charges | -  | (2,935,000)                                | -  | (2,935,000)                           |
| <b>Total</b>                           | <b>177,166</b>   | <b>(2,914,318)</b>                         | <b>6,725,796</b>   | <b>3,988,644</b>                      |

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

|  | <b>2021</b>      | <i>As restated</i> |
|--|------------------|--------------------|
|  | £                | 2020<br>£          |
| Net (expenditure)/income for the year (as per Statement of financial activities) | <b>(574,175)</b> | 33,656             |
| <b>Adjustments for:</b>  |                  |                    |
| Schools joining the trust  | <b>185,540</b>   | -                  |
| Depreciation   | <b>218,055</b>   | 181,898            |
| Capital grants from DfE and other capital income                                 | <b>(92,848)</b>  | (389,417)          |
| Interest receivable  | <b>(68)</b>      | (121)              |
| Defined benefit pension scheme cost less contributions payable                   | <b>487,000</b>   | 332,000            |
| Defined benefit pension scheme finance cost                                      | <b>51,000</b>    | 47,000             |
| Decrease in debtors  | <b>38,602</b>    | 64,307             |
| Decrease in creditors  | <b>(3,400)</b>   | (47,446)           |
| <b>Net cash provided by operating activities</b>                                 | <b>309,706</b>   | 221,877            |

**23. Cash transferred on conversion to an academy trust**

|  | <b>Group</b>   | <i>Group</i> |
|--|----------------|--------------|
|  | 2021           | 2020         |
|  | £              | £            |
| Cash on conversion                               | <b>129,405</b> | -            |
| <b>Net cash provided by financing activities</b> | <b>129,405</b> | -            |

**24. Cash flows from investing activities**

|  | <b>Group</b>     | <i>Group</i> |
|--|------------------|--------------|
|  | 2021             | 2020         |
|  | £                | £            |
| Dividends, interest and rents from investments             | <b>68</b>        | 121          |
| Purchase of tangible fixed assets                          | <b>(295,126)</b> | (280,587)    |
| Capital grants from DfE Group                              | <b>198,087</b>   | 355,961      |
| <b>Net cash (used in)/provided by investing activities</b> | <b>(96,971)</b>  | 75,495       |

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**25. Analysis of cash and cash equivalents**

|  | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> |
|--|-----------------------------|-----------------------------|
| Cash in hand and at bank               | <b>785,295</b>              | 443,155                     |
| <b>Total cash and cash equivalents</b> | <b>785,295</b>              | 443,155                     |

**26. Analysis of changes in net debt**

|                          | <b>At 1<br/>September<br/>2020<br/>£</b> | <b>Cash flows<br/>£</b> | <b>At 31<br/>August 2021<br/>£</b> |
|--------------------------|--|-------------------------|------------------------------------|
| Cash at bank and in hand | <b>443,155</b>                           | <b>342,140</b>          | <b>785,295</b>                     |
|                          | <b>443,155</b>                           | <b>342,140</b>          | <b>785,295</b>                     |

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**27. Conversion to an academy trust**

On 1 September 2020 Brixham Church of England Primary School 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 Torbay 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 Consolidated balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Consolidated statement of financial activities as Income from Donations and Capital Grants - 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 Consolidated statement of financial activities.

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>funds<br>£     |
|--|----------------------------|--------------------------|---|-------------------------|
| <b>Tangible fixed assets</b>                   |                            |                          |   |                         |
| Other tangible fixed assets                    | -                          | -                        | 12,055                                  | <b>12,055</b>           |
| <b>Current assets</b>                          |                            |                          |   |                         |
| Cash - representing budget surplus on LA funds | 129,405                    | -                        | -                                       | <b>129,405</b>          |
| <b>Non-current liabilities</b>                 |                            |                          |   |                         |
| LGPS pension surplus/deficit                   | -                          | (327,000)                | -                                       | <b>(327,000)</b>        |
| <b>Net assets/(liabilities)</b>                | <u>129,405</u>             | <u>(327,000)</u>         | <u>12,055</u>                           | <u><b>(185,540)</b></u> |

**28. Capital commitments**

|   | Group<br>2021<br>£ | Group<br>2020<br>£ | Academy<br>2021<br>£ | Academy<br>2020<br>£ |
|---|--------------------|--------------------|----------------------|----------------------|
| Contracted for but not provided in these financial statements | -                  | 369,143            | -                    | 369,143              |
|   | <u>-</u>           | <u>369,143</u>     | <u>-</u>             | <u>369,143</u>       |

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**29. Pension commitments**

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

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

Contributions amounting to £104,434 were payable to the schemes at 31 August 2021 (2020 - £72,891) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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



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**29. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £498,274 (2020 - £445,299).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £399,000 (2020 - £344,000), of which employer's contributions totalled £308,000 (2020 - £267,000) and employees' contributions totalled £ 91,000 (2020 - £77,000). 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**

|  | <b>2021</b> | 2020 |
|--|-------------|------|
|  | %           | %    |
| Rate of increase in salaries                       | <b>3.85</b> | 3.25 |
| Rate of increase for pensions in payment/inflation | <b>2.85</b> | 2.25 |
| Discount rate for scheme liabilities               | <b>1.65</b> | 1.65 |
| Inflation assumption (CPI)                         | <b>2.85</b> | 2.25 |

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

|                             | <b>2021</b> | 2020  |
|-----------------------------|-------------|-------|
|                             | Years       | Years |
| <i>Retiring today</i>       |             |       |
| Males                       | <b>23</b>   | 22.9  |
| Females                     | <b>24.2</b> | 24.1  |
| <i>Retiring in 20 years</i> |             |       |
| Males                       | <b>24.4</b> | 24.3  |
| Females                     | <b>25.6</b> | 25.5  |

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**29. Pension commitments (continued)**

**Sensitivity analysis**

|  | <b>2021</b>  | <i>2020</i>  |
|--|--------------|--------------|
|  | <b>£000</b>  | <i>£000</i>  |
| Discount rate +0.1%                    | <b>(203)</b> | <i>(132)</i> |
| Discount rate -0.1%                    | <b>208</b>   | <i>136</i>   |
| Mortality assumption - 1 year increase | <b>283</b>   | <i>171</i>   |
| Mortality assumption - 1 year decrease | <b>(273)</b> | <i>(165)</i> |
| CPI rate +0.1%                         | <b>196</b>   | <i>128</i>   |
| CPI rate -0.1%                         | <b>(191)</b> | <i>(125)</i> |

**Share of scheme assets**

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

|  | <b>2021</b>      | <i>2020</i>      |
|--|------------------|------------------|
|  | <b>£</b>         | <i>£</i>         |
| Equities                                       | <b>1,937,000</b> | <i>1,200,000</i> |
| Gilts  | <b>397,000</b>   | <i>71,000</i>    |
| Other bonds                                    | <b>58,000</b>    | <i>95,000</i>    |
| Property and infrastructure                    | <b>396,000</b>   | <i>241,000</i>   |
| Cash   | <b>19,000</b>    | <i>23,000</i>    |
| Target return portfolio and alternative assets | <b>288,000</b>   | <i>381,000</i>   |
| <b>Total market value of assets</b>            | <b>3,095,000</b> | <i>2,011,000</i> |

The actual return on scheme assets was £487,000 (*2020 - £8,000*).

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

|  | <b>2021</b>      | <i>2020</i>      |
|--|------------------|------------------|
|  | <b>£</b>         | <i>£</i>         |
| Current service cost   | <b>(794,000)</b> | <i>(599,000)</i> |
| Interest income  | <b>40,000</b>    | <i>37,000</i>    |
| Interest cost  | <b>(91,000)</b>  | <i>(83,000)</i>  |
| Administrative expenses  | <b>(1,000)</b>   | <i>(1,000)</i>   |
| <b>Total amount recognised in the Consolidated statement of financial activities</b> | <b>(846,000)</b> | <i>(646,000)</i> |

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**29. Pension commitments (continued)**

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

|                              | 2021<br>£        | 2020<br>£        |
|------------------------------|------------------|------------------|
| <b>At 1 September</b>        | <b>4,946,000</b> | 4,362,000        |
| Conversion of academy trusts | 570,000          | -                |
| Current service cost         | 794,000          | 599,000          |
| Interest cost                | 91,000           | 83,000           |
| Employee contributions       | 91,000           | 77,000           |
| Actuarial losses/(gains)     | 1,138,000        | (84,000)         |
| Benefits paid                | (44,000)         | (91,000)         |
|                              | <u>7,586,000</u> | <u>4,946,000</u> |

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

|                              | 2021<br>£        | 2020<br>£        |
|------------------------------|------------------|------------------|
| <b>At 1 September</b>        | <b>2,011,000</b> | 1,831,000        |
| Conversion of academy trusts | 243,000          | -                |
| Interest income              | 40,000           | 37,000           |
| Actuarial gains/(losses)     | 447,000          | (109,000)        |
| Employer contributions       | 308,000          | 267,000          |
| Employee contributions       | 91,000           | 77,000           |
| Benefits paid                | (44,000)         | (91,000)         |
| Administration expenses      | (1,000)          | (1,000)          |
|                              | <u>3,095,000</u> | <u>2,011,000</u> |

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**30. Operating lease commitments**

At 31 August 2021 the Group and the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

|  | <b>Group<br/>2021<br/>£</b> | <i>Group<br/>2020<br/>£</i> | <b>Academy<br/>2021<br/>£</b> | <i>Academy<br/>2020<br/>£</i> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Not later than 1 year                        | <b>39,888</b>               | <i>33,148</i>               | <b>39,888</b>                 | <i>33,148</i>                 |
| Later than 1 year and not later than 5 years | <b>28,755</b>               | <i>29,211</i>               | <b>28,755</b>                 | <i>29,211</i>                 |
|  | <b>68,643</b>               | <i>62,359</i>               | <b>68,643</b>                 | <i>62,359</i>                 |

**31. 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.

**32. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

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**33. Principal subsidiaries**

The following was a subsidiary undertaking of the Academy:

| <b>Name</b>           | <b>Company number</b> | <b>Registered office or principal place of business</b>      | <b>Principal activity</b>                              | <b>Holding</b> |
|-----------------------|-----------------------|--|--|----------------|
| ACE Enhanced Services | 10585473              | Totnes St John's Primary School, Pathfields, Totnes, TQ9 5TZ | Pre-primary education and educational support services | 100%           |

The financial results of the subsidiary for the year were:

| <b>Name</b>           | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Profit/(Loss)<br/>/ Surplus/<br/>(Deficit) for<br/>the year<br/>£</b> | <b>Net assets<br/>£</b> |
|-----------------------|---------------------|--------------------------|--|-------------------------|
| ACE Enhanced Services | <b>236,000</b>      | <b>(242,628)</b>         | <b>(6,628)</b>   | <b>(15,224)</b>         |