

**THE ACADEMIES FOR CHARACTER AND EXCELLENCE (PREVIOUSLY
THE ACADEMY FOR CHARACTER AND EXCELLENCE)**

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022



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

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**THE ACADEMIES FOR CHARACTER AND EXCELLENCE (PREVIOUSLY THE ACADEMY FOR
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	T Falcao G Kinchin (Representing Plymouth Marjon) P Gray (Representing EDEN) R Dickinson (appointed 1 April 2022) A Church (resigned 15 November 2021)
Trustees	C Weyman, CEO J Gater E Hibberd, Chair of Trustees (to 14 October 2021) F Sabet (appointed 9 December 2021) R Willoughby, Chair of Trustees (from 15 October 2021) P Mantell M Haskell J Coe G Hobbs (appointed 9 December 2021) P Reynolds (resigned 4 October 2021)
Company registered number	10098444
Company name	The Academies for Character and Excellence (previously the Academy for Character and Excellence)
Principal and registered office	Totnes St Johns C Of E Primary School Pathfields Totnes TQ9 5TZ
Chief executive officer	C Weyman
Senior management team	C Weyman, CEO C Platt, Director of Education (resigned 30 April 2022) S Smith, Finance Director (resigned 2 September 2022) N Jones-Whyte, Finance Director (appointed 7 September 2022)
Independent auditors	Griffin Chartered Accountants Silverdown Office Park Exeter Airport Business Park Exeter EX5 2UX
Bankers	Lloyds Bank plc 234 High Street Exeter Devon EX4 3NL

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Solicitors

PHP Law LLP
6 Atlantic Building
Queen Anne's Battery
Plymouth
PL4 0LP

**THE ACADEMIES FOR CHARACTER AND EXCELLENCE (PREVIOUSLY THE ACADEMY FOR
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates 7 primary academies in the authorities of Torbay and Devon. The Trust's academies have a combined capacity in years Reception to Year 6 of 1627, and the schools have a roll of 1468 recorded in the Autumn 2022 school census. Berry Pomeroy C of E Primary is supported through a management partnership and converted into the Trust 1 October 2022. The above school capacity and school roll figures exclude Berry Pomeroy on this basis. Redhills Primary School re-designated to St Gabriel's Church of England School on 1 September 2022 and will be referred to as St Gabriel's during this report.

Structure, governance and management

The Trust was incorporated on 1 April 2016 and opened with Shaldon and Redhills Academies on 1 June 2016 (re-designated to St Gabriel's). 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 converted into the Trust on 1 September 2020, followed by Torre Church of England Primary on 1 April 2022. 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 Trust.

The Members of The Academies 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 Trust.

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

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 Academies 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
- St Gabriel's Primary School
- Totnes St. John's Primary School
- Shaldon Primary School
- Torre Church of England Academy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 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 in relation to new Articles).

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. This is reflected in the skills analysis carried out by the Board.

Parents are represented at Local Committee level.

d. Policies adopted for the induction and training of Trustees

The Trust has a Trustee Recruitment, Induction and Training policy available from the Trust's Governance Professional. Key policies that we signpost our Trustees to as part of their induction are the Trust's Safeguarding and Child Protection Policy, KCSiE and GDPR policy.

The training and induction (on-boarding) 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, and training would be given on Teams which is the platform where key documents are shared. 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 which the Trustees are able to attend. Trustees are also encouraged to attend specific Trustee training which is currently provided by the CST, Devon Services and other external consultants. The Trust also subscribes to the Governance support provided by both Devon Services and The Key for School Leaders, and reports and newsletters are circulated to all Trustees and Governors in order to keep them updated on current changes within education.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Organisational structure

Board Of Trustees:

The Board of Trustees normally meets five times a year. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference, procedures of Committees and other groups where established. It receives reports including policies from its Local Committees or portfolio holders for ratification where applicable, and will monitor the activities of the Local 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 and Risk 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.

Finance, Audit and Risk Committee:

The Committee meet at least three 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. The Committee discusses risk and in line with these discussions updates the Trust's Risk Register.

Portfolios:

Each Director holds a portfolio area: HR; Finance; Curriculum and Standards; Ethos and Distinctiveness; Health and Safety and Estates; Community Partnerships and Safeguarding. Each director is supported by a central team specialist for their portfolio. In addition, Community Partnerships, Curriculum and Standards, Ethos and Distinctiveness and Safeguarding have their own committees which governors attend and discuss monitoring enquiries.

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, St Gabriel's, Collaton, Galmpton, Brixham and Torre 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.

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

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 CFO, Operations Lead and the People Lead.

The Education Leadership Team comprises of the CEO; Innovation and Talent Lead; ACE Strategic Advisors; and Collaboration Lead. The Innovation and Talent Lead with the ASAs oversee the Headteachers who also have a Senior Leadership Team responsible for the strategic and operational decision making at school level, with responsibility for implementing the school improvement plan.

The Central Services Team comprises of the Business Team, Educational Team and Governance Team. The CEO oversees the Business Leads (Finance, People and Operations) as well as the Education Leads (Talent Management Lead, ACE Strategic Advisors and Collaborative Lead) and the Governance Lead.

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 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 RDD, Diocese and ESFA

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

School Improvement:

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

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

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

Healthy Communities and catering:

- Drives national award programmes in each school, e.g., 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

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

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

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.

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 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 has joined the Trust on the 1st October 2022. The Trust is also in Management Partnerships with Newtown Primary School and Georgeham C of E Primary School.

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

h. Engagement with employees (including disabled persons)

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. Wellbeing is at the heart of supporting our staff and regular check-ins on staff wellbeing are undertaken.

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 People 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.

Full details of these policies are available from the Trust's central office.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 2022, no employees of the Trust were relevant union officials.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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 2022

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 written. This Strategy was reviewed by the Board in July 2022 and four priorities were identified for 2023-2025:

- Culture: Grow an exceptional team through a high challenge, high support organisation.
- School Performance: Successfully pursue excellence at all levels.
- Service: Develop our Trust as a Civic Organisation.
- Aligned 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.

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**TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

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.

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 underpinning core values of academic excellence, metacognition and character education. In 2022/23, 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.

(Note: Torre Academy's results are not included as they did not join the Trust until 1 April 2022)

School	OFSTED Grade	OFSTED Grade Now
Shaldon Primary School. Started the Trust 2016.	Outstanding 2014	Awating inspection
Redhills Primary School, (now St Gabriel's Church of England Primary School). Started the Trust 2016.	Good 2021	Good 2019
Collaton St Mary C of E Primary School. Joined the Trust 2017.	Good 2014	Good 2022
Galmpton C of E Primary School. Joined the Trust 2017.	Good 2017	Good Improver 2022
Totnes St Johns, C of E Primary School. Joined the Trust in MP 2017 converting in 2018.	Inadequate 2017	Awating re-inspection
Brixham C of E Primary School. Joined the Trust 2019.	Requires Improvement 2019	Awating re-inspection
Torre C of E Primary School. Joined the Trust April 2022.	Good 2022	
Georgeham C of E Primary School – Management Partnership September 2022.	Good 2019	
Newtown Primary School – Management Partnership September 2022	Currently Double RI - 2021	

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Strategic report (continued)

Achievements and performance (continued)

SIAMS

Totnes St. John's was judged to be 'Good' under the Church School Inspection.

Year 1 Phonics Screening

Trust combined results demonstrate that 90% of children at ACE achieved the phonics screening significantly above national outcomes of 75%.

Year 1 Phonics Screening Check	Pass		
	All	Dis	Not Dis
	ARE+	ARE+	ARE+
National (2022)	75%	62%	80%
ACE	90%	76%	95%
Berry Pomeroy	93%	100%	93%
Brixham	81%	50%	100%
Collaton St Mary	93%	80%	96%
Galmpton	90%	0%	93%
St Gabriel's	87%	82%	89%
Shaldon	97%	100%	96%
Totnes St John's	91%	85%	100%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Year 2 Outcomes

Trust combined results demonstrate that 76% of children at ACE schools achieved Reading, Writing and Mathematics compared to 67% nationally.

Year 2 Outcomes	Reading						Writing						Maths					
	All		Dis		Not Dis		All		Dis		Not Dis		All		Dis		Not Dis	
	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS
National (2022)	67%	18%	51%	8%	72%	21%	58%	8%	41%	3%	63%	10%	68%	15%	52%	7%	73%	18%
ACE	76%	30%	55%	9%	84%	38%	72%	25%	47%	9%	82%	31%	78%	26%	60%	11%	84%	31%
Berry Pomeroy	81%	50%	N/A	N/A	81%	50%	75%	44%	N/A	N/A	75%	44%	81%	38%	N/A	N/A	81%	38%
Brixham	77%	23%	67%	11%	81%	29%	70%	17%	44%	11%	81%	19%	67%	20%	33%	0%	81%	29%
Collaton St Mary	73%	23%	50%	0%	85%	35%	73%	20%	50%	0%	85%	30%	80%	20%	60%	0%	90%	30%
Galmpton	83%	37%	50%	25%	88%	38%	77%	27%	50%	25%	81%	27%	87%	27%	75%	25%	88%	27%
St Gabriel's	72%	16%	64%	9%	79%	21%	68%	12%	55%	9%	79%	14%	72%	20%	82%	18%	64%	21%
Shaldon	90%	48%	100%	50%	89%	48%	90%	45%	100%	50%	89%	44%	86%	38%	100%	50%	85%	37%
Totnes St John's	50%	17%	36%	0%	71%	43%	44%	11%	27%	0%	71%	29%	67%	22%	45%	9%	100%	43%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Key Stage 2 Achievements

Trust combined results demonstrate that 77% of pupils in ACE schools achieved Reading, Writing and Mathematics compared to 59% nationally, significantly above.

Year 6 Outcomes	Reading						Writing						Maths						Combined						SPAG					
	All		Dis		Not DIS		All		Dis		Not DIS		All		Dis		Not DIS		All		Dis		Not DIS		All		Dis		Not DIS	
	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS	ARE+	GDS
National (2022)	74%	28%	62%	17%	80%	32%	69%	13%	55%	6%	75%	16%	71%	22%	56%	12%	78%	27%	59%	7%	43%	3%	65%	9%	72%	28%	17%	78%	33%	
ACE	81%	40%	73%	29%	85%	44%	85%	27%	73%	7%	90%	36%	83%	33%	69%	15%	89%	40%	77%	12%	63%	2%	83%	16%	77%	28%	56%	10%	86%	
Berry Pomeroy	71%	53%	0%	0%	75%	56%	88%	47%	0%	0%	94%	50%	88%	29%	0%	0%	94%	31%	71%	29%	0%	0%	75%	31%	82%	35%	0%	0%	88%	
Brixham	80%	43%	73%	18%	84%	58%	80%	7%	82%	9%	79%	5%	80%	27%	73%	18%	84%	32%	77%	0%	73%	0%	79%	0%	80%	30%	73%	18%	84%	
Collaton St Mary	94%	59%	75%	75%	96%	57%	91%	22%	75%	0%	93%	25%	91%	38%	75%	25%	93%	39%	91%	16%	75%	0%	93%	18%	88%	9%	75%	0%	89%	
Galmpton	91%	30%	100%	20%	89%	32%	91%	30%	80%	0%	93%	36%	91%	45%	80%	20%	93%	50%	85%	18%	60%	0%	89%	21%	85%	36%	60%	0%	89%	
St Gabriel's	70%	43%	67%	47%	73%	40%	70%	13%	67%	7%	73%	20%	73%	33%	67%	20%	80%	47%	67%	7%	60%	0%	73%	13%	67%	37%	60%	20%	73%	
Shaldon	77%	29%	60%	20%	81%	31%	97%	58%	80%	20%	100%	65%	84%	32%	60%	20%	88%	35%	71%	16%	40%	20%	77%	15%	81%	29%	60%	0%	85%	
Totnes St John's	81%	23%	78%	17%	88%	38%	77%	19%	72%	6%	88%	50%	77%	19%	72%	6%	88%	50%	73%	4%	67%	0%	88%	13%	52%	20%	39%	6%	86%	

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**TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Early Years Foundation Stage Achievements

Trust combined results demonstrate that 81% of children across ACE schools achieved a Good Level of Development compared to 71% nationally.

Early Years Good Level of Development	Pass		
	All	Dis	Not Dis
	ARE+	ARE+	ARE+
National (2019)	71%		
ACE	81%	74%	83%
Berry Pomeroy	83%	N/A	83%
Brixham	80%	86%	78%
Collaton St Mary	73%	40%	82%
Galmpton	83%	33%	89%
St Gabriel's	82%	100%	75%
Shaldon	90%	100%	88%
Totnes St John's	69%	67%	71%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

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. Grow strategically and sustainably including developing a hub model and increasing the numbers on roll at Totnes St. John's and St. Gabriel's through the delivery of an exceptional curriculum.
7. Schools to achieve either a good or outstanding OFSTED judgement.
8. Development of pedagogy to deliver Trust Curriculum.
9. Pupil attainment and progress at least in line with the top 10% nationally.

a. Going concern

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

Financial review

Torre Church of England Primary School joined the Trust in April 2022 and so it has been a year of growth alongside the continuing challenges of the post Covid 19 period, including rising inflation which has driven significant increases in utility prices. Berry Pomeroy Primary School has continued in a management partnership throughout the year.

The Finance, Audit and Risk Committee (FARC) agreed a set of performance targets for 2021/22 including achieving a 3% (2021: 3%) Operating Surplus, against Total Funds, within each of the Trusts Schools to establish a longer-term objective of establishing a 10% (2021: 10%) level of Income Funds and Cash at Bank and in Hand level of 8% (2021: 8%) of the Trusts Total Income.

The Trust has performed well against these targets. We have achieved a Cash at Bank and in Hand level of 17.4% (2021: 8%) of the Trusts Total Income and achieved 3.9% (2021: 4.4%) in year operating surplus against Total Funds (excluding transfers on conversion).

During the year consideration was given to the cumulative reserves policy and this was maintained at 5% based on total funds.

This performance has been achieved this year despite the challenges caused by rising inflation and energy prices, the Russian invasion of Ukraine and the legacy of the pandemic. Investment has been made primarily into the Trusts estates with significant capital projects at Galmpton Church of England Primary school and St Gabriel's Church of England Primary school in addition to continued investment into IT equipment in the year. The need to provide additional staffing cover has also negatively affected our cost base.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

During the year, the Trust received income totalling £9,563,721 (2021: £7,311,524) and expenditure totalling £9,116,658 (2021: £7,700,590) excluding the transfer on academies joining the trust. The excess of income over expenditure amounts to £447,063 (2021: £389,066 expenditure in excess of income). Torre Church of England Academy transferred into the Academy for Character and Excellence on 1st April 2022, and £278,396 of income was received.

The net book value of tangible fixed assets at year-end totalled £7,298,992 (2021: £6,681,376). Fixed assets were transferred into the Trust with Torre Church of England Academy, totalling £59,686, and are detailed within note 32.

The Trust has taken on the deficit within the Local Government Pension Scheme in respect to support staff transferred with Torre Church of England Academy. The deficit is included within the Statement of Financial Activities.

The Trustees consider the overall total funds position of £7,368,588 (2021: £2,723,469) comprising £7,597,196 (2021: £6,698,375) of restricted fixed asset funds, together with (£1,179,431) (2021: (£4,439,646)) of restricted funds and £950,829 (2021: £464,739) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £1,474,000 (2021: £4,491,000) and general restricted funds of £294,569 (2021: £51,354).

During the year ended 31st August 2022, the Trust generated an in-year revenue surplus of £712,304, with total restricted & unrestricted revenue reserves held at year-end of £1,245,398.

a. Reserves policy

The Trust has 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.

Currently the Trust has one operating function that was not in an operating surplus level.

An area of deficit performance has been within St Gabriel's Church of England Primary School, which has been subject to a rebranding process during the year. In conjunction with the rebranding exercise a significant investment has been made into the site and buildings during the year.

Whilst there were additional costs of working due to the challenges caused by rising inflation and energy prices, the Russian invasion of Ukraine and the legacy of the pandemic, these were offset by operational savings across utilities and educational supplies. 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 positively affected by economic factors that have reduced Pension scheme liabilities.

At the balance sheet date the Trust was holding £1,245,398 of funds. This was made up of £294,569 of restricted funds and £950,829 of unrestricted funds.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 in excess of 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 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 Trust are as follows:

Financial

The Trust has considerable reliance on continued Government funding through the ESFA. In the last year 87.5% of the Trust's incoming resources (excluding funds transferred on conversion) were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management

The risk in this area arises from potential failure to effectively manage the 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 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 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fraud and mismanagement of funds

The Trust plans to appoint a Responsible Officer to carry out checks on financial systems and records as required by the 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 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, Audit and Risk Committee and the Trust Leadership Team. The FARC reports back to the Strategic Board on the Risk Register.

The Trustees have assessed the major risks to which the 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 27 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the 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 Associations etc.

Plans for future periods

The Trust Development plan has the following key objectives for 22-23:

1. To develop a hub model as part of the Trust Growth Strategy.
2. To complete a re-write of 'A Curriculum for Excellence'.
3. To develop ACE pedagogy with underpinning values of collaboration, independence and creativity.
4. To continue delivering strategy through networks of teams.
5. To ensure that all schools achieve at least a 'good' OFSTED outcome.
6. To ensure all schools are prepared for the new SIAMS framework.
7. To further close the gap for the disadvantaged.
8. To implement Personal Aspiration Plans in place of the current appraisal system.
9. To operationalise the Trust Talent Management Plan.
10. To implement a new budgeting, payroll system and HR system.
11. To secure clarity of approach to operational systems, processes and controls.
12. To ensure efficiently managed, safe compliant and sustainable estates and premises.
13. To continue to develop a catering model of excellence.
14. To further develop and implement efficient HR systems and processes
15. To continue to develop our recruitment and on-boarding processes
16. To continue delivering a wellbeing strategy to our employees across the Trust

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Funds held as custodian on behalf of others

The 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 8 December 2022 and signed on its behalf by:

R Willoughby
Chair of Trustees

**THE ACADEMIES FOR CHARACTER AND EXCELLENCE (PREVIOUSLY THE ACADEMY FOR
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Academies 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 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.

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
F Sabet (appointed 9 December 2021)	3	4
R Willoughby, Chair of Trustees (from 15 October 2021)	6	6
P Mantell	6	6
M Haskell	6	6
J Coe	5	6
G Hobbs (appointed 9 December 2021)	3	4
P Reynolds (resigned 4 October 2021)	0	1

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 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Trustees operate in the interests of the children across the Trust. The role of the local governing bodies and Interim Advisory Board is as follows:

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

Performance of the board:

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

Quality of Data

The board uses the following data:

- High level data dashboards to analyse performance in HR, safeguarding, Health and Safety, 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 external review of governance conducted by a consultant, who is a National Leader of Governance, from the Confederation of School Trusts. The review was conducted between October to December 2021 with a board presentation taking place in January 2022. The report was findings-based, identifying strengths, and recommending areas for development. This was subsequently shared with chairs from the Local Committees through both a meeting and a summary report.

The board has 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 continue to be embedded within the governance structure at a local level and there is a clear distinct link with the portfolio director and the portfolio governor.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Conflicts of interest

The Trust mitigates the risks associated with conflicts of interest by maintaining an up to date and complete register of interests. All ACE Board members are subject to pecuniary reviews and are required to disclose details of Directorships and other relevant interests outside of the Trust that may give rise to a conflict of interest. The register of business interests is publicly available on the Trust website (ACE Board) and the relevant school website (School Board). Board meeting agendas are circulated prior to meetings and Board members are requested to disclose any conflicts of interest at the start of each meeting at a school and ACE Trust level. Disclosure conflicts are considered prior to commencement of the meeting and appropriate action is approved which may include removal of the Director for part of the meeting and/or involvement in any on-going work in this area. Conflicts are documented and registers are updated accordingly to ensure updates are made promptly as required.

The FARC is chaired by a Director and is also attended by the CEO (also Accounting Officer), two other Board Directors 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 FARC, 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, Chair of Trustees (from 15 October 2021)	6	6
C Weyman	5	6
E Hibberd, Chair of Trustees (to 14 October 2021)	0	2
J Coe	3	3
G Hobbs (appointed 9 December 2021)	1	3

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Trust during this financial year has undertaken a full review of all its operations 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Academies for Character and Excellence for the year 1 September 2021 to 31 August 2022 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the FARC 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 Thompson Jenner as internal auditor.

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

- Finance Policy
- Purchase cycle
- Bank reconciliations
- Management accounts and budget planning
- Fixed asset and inventory

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 2021-22 this 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.

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GOVERNANCE STATEMENT (CONTINUED)

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.

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

R Willoughby
Chair of Trustees
Date:

C Weyman
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Academies for Character and Excellence I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2021.

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:

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

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 2021 to 2022;
- 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 8 December 2022 and signed on its behalf by:

R Willoughby
Chair of Trustees

C Weyman
Accounting Officer

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

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

Opinion

We have audited the financial statements of The Academies for Character and Excellence (previously The Academy for Character and Excellence) (the 'parent Academy') and its subsidiaries (the 'Group') for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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.

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

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

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.

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

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

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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. This description forms part of our Auditors' report.

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

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

Use of our report

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

Misty Nickells FCA (Senior statutory auditor)

for and on behalf of
Griffin

Statutory Auditor
Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX

8 December 2022

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

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

In accordance with the terms of our engagement letter dated 13 May 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Academies for Character and Excellence during the year 1 September 2021 to 31 August 2022 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 Academies for Character and Excellence and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Academies for Character and Excellence and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Academies for Character and Excellence and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Academies for Character and Excellence (previously The Academy for Character and Excellence)'s funding agreement with the Secretary of State for Education dated 13 May 2020 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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.

The work undertaken to draw our conclusion includes:

- Review of governance procedures
- Evaluation and testing of the system of internal controls, such as authorisation and value for money procedures
- Substantive testing on relevant transactions

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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
Silverdown Office Park
Exeter Airport Business Park
Exeter
EX5 2UX

Date:

**THE ACADEMIES FOR CHARACTER AND EXCELLENCE (PREVIOUSLY 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 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>As restated</i> Total funds 2021 £
Income from:						
Donations and capital grants:	4					
Other donations and capital grants		41,064	245,259	1,040,259	1,326,582	361,898
Other trading activities	6	339,683	113,373	-	453,056	408,916
Investments	7	114	-	-	114	68
Charitable activities	5	191,181	7,592,788	-	7,783,969	6,540,642
Total income		572,042	7,951,420	1,040,259	9,563,721	7,311,524
Expenditure on:						
Raising funds		308,065	49,461	-	357,526	265,569
Charitable activities	8	21,398	8,506,241	231,493	8,759,132	7,434,590
Transfer on academy joining the trust	32	(226,511)	1,074,141	(59,686)	787,944	185,540
Total expenditure		102,952	9,629,843	171,807	9,904,602	7,885,699
Net income/(expenditure)		469,090	(1,678,423)	868,452	(340,881)	(574,175)
Transfers between funds	19	17,000	(47,363)	30,363	-	-
Net movement in funds before other recognised gains/(losses)		486,090	(1,725,786)	898,815	(340,881)	(574,175)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	4,986,000	-	4,986,000	(691,000)
Net movement in funds		486,090	3,260,214	898,815	4,645,119	(1,265,175)

**THE ACADEMIES FOR CHARACTER AND EXCELLENCE (PREVIOUSLY 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 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>As restated Total funds 2021 £</i>
Reconciliation of funds:					
Total funds brought forward	464,739	(4,439,645)	6,698,375	2,723,469	<i>3,988,644</i>
Net movement in funds	486,090	3,260,214	898,815	4,645,119	<i>(1,265,175)</i>
Total funds carried forward	950,829	(1,179,431)	7,597,190	7,368,588	<i>2,723,469</i>

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

The notes on pages 43 to 78 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	7,298,992	6,681,376
		<u>7,298,992</u>	<u>6,681,376</u>
Current assets			
Debtors	17	1,398,160	257,719
Cash at bank and in hand		1,454,314	785,295
		<u>2,852,474</u>	<u>1,043,014</u>
Creditors: amounts falling due within one year	18	(1,308,878)	(509,921)
Net current assets		<u>1,543,596</u>	533,093
Total assets less current liabilities		<u>8,842,588</u>	<u>7,214,469</u>
Net assets excluding pension liability		<u>8,842,588</u>	7,214,469
Defined benefit pension scheme liability	27	(1,474,000)	(4,491,000)
Total net assets		<u><u>7,368,588</u></u>	<u><u>2,723,469</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	7,597,190	6,698,375
Restricted income funds	19	294,569	51,355
		<u>7,891,759</u>	<u>6,749,730</u>
Restricted funds excluding pension asset	19	7,891,759	6,749,730
Pension reserve	19	(1,474,000)	(4,491,000)
Total restricted funds	19	<u>6,417,759</u>	2,258,730
Unrestricted income funds	19	<u>950,829</u>	464,739
Total funds		<u><u>7,368,588</u></u>	<u><u>2,723,469</u></u>

The financial statements on pages 38 to 78 were approved by the Trustees, and authorised for issue on 08 December 2022 and are signed on their behalf, by:

R Willoughby

(Chair of Trustees)

The notes on pages 43 to 78 form part of these financial statements.

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

**ACADEMY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	16	7,298,992	6,681,376
		<u>7,298,992</u>	<u>6,681,376</u>
Current assets			
Debtors	17	1,508,055	479,472
Cash at bank and in hand		1,393,848	575,655
		<u>2,901,903</u>	<u>1,055,127</u>
Creditors: amounts falling due within one year	18	(1,302,367)	(506,810)
Net current assets		<u>1,599,536</u>	<u>548,317</u>
Total assets less current liabilities		<u>8,898,528</u>	<u>7,229,693</u>
Net assets excluding pension liability		<u>8,898,528</u>	<u>7,229,693</u>
Defined benefit pension scheme liability	27	(1,474,000)	(4,491,000)
Total net assets		<u><u>7,424,528</u></u>	<u><u>2,738,693</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	7,614,191	6,698,375
Restricted income funds	19	294,568	51,355
		<u>7,908,759</u>	<u>6,749,730</u>
Restricted funds excluding pension liability	19	7,908,759	6,749,730
Pension reserve	19	(1,474,000)	(4,491,000)
Total restricted funds	19	<u>6,434,759</u>	<u>2,258,730</u>
Unrestricted income funds	19	<u>989,769</u>	<u>479,963</u>
Total funds		<u><u>7,424,528</u></u>	<u><u>2,738,693</u></u>

The financial statements on pages 38 to 78 were approved by the Trustees, and authorised for issue on 08 December 2022 and are signed on their behalf, by:

R Willoughy

(Chair of Trustees)

The notes on pages 43 to 78 form part of these financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	<i>2021 £</i>
Cash flows from operating activities			
Net cash provided by operating activities	21	209,283	309,706
Cash flows from investing activities	23	160,713	(96,971)
Cash flows from financing activities	22	299,023	129,405
Change in cash and cash equivalents in the year		669,019	342,140
Cash and cash equivalents at the beginning of the year		785,295	443,155
Cash and cash equivalents at the end of the year	24, 25	<u>1,454,314</u>	<u>785,295</u>

The notes on pages 43 to 78 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. General information

The Academies 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 2021 to 2022 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 Academies 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 Trustees 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 Trust had a strong reserves position at the 31 August 2022 of £1,245,398, with £1,454,314 held of cash at this date. The Budget Forecast Return (BFR) submitted to the Education and Skills Funding Agency for the 2022/23 financial year forecasted a £13,200 revenue surplus. The 2022/23 budget forecast has been adjusted to take account of the currently high rate of inflation and the teachers' pay awards resulting in a revenue deficit of £94,600. This will leave the Trust in a strong position and able to continue to operate within the reserves policy.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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 of existing academies into the Group**

Where assets and liabilities are received on the transfer of an existing academy into the Group, 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 for the transfer of an existing academy into the Group within expenditure to the net liabilities acquired.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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.

- **Expenditure on raising funds**

This includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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 either a straight-line or reducing balance 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, Galampton Church of England Primary School and Torre 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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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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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4. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	41,064	245,259	-	286,323	269,050
Capital Grants	-	-	1,040,259	1,040,259	92,848
	<u>41,064</u>	<u>245,259</u>	<u>1,040,259</u>	<u>1,326,582</u>	<u>361,898</u>
<i>Total 2021</i>	<u>9,585</u>	<u>259,465</u>	<u>92,848</u>	<u>361,898</u>	

Included in donations is £220,833 (2021: £200,000) 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.

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5. Funding for the Academy's charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Education				
DfE/ESFA grants				
General annual grant	-	5,873,863	5,873,863	4,965,464
Other DfE/ESFA grants				
Pupil Premium	-	474,936	474,936	412,589
UIFSM	-	158,992	158,992	158,503
PE and sports grant	-	111,558	111,558	106,510
Teacher pay and teacher pension	-	-	-	223,892
TCAF grant	-	306,500	306,500	-
Other DfE/ESFA grants	-	270,773	270,773	25,858
	-	7,196,622	7,196,622	5,892,816
Other Government grants				
Other government grants	-	39,488	39,488	75,371
High needs	-	356,678	356,678	289,287
	-	396,166	396,166	364,658
Other income from the Academy's education	191,181	-	191,181	109,251
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	96,960
Other DfE/ESFA COVID-19 funding	-	-	-	41,945
	-	-	-	138,905
COVID-19 additional funding (non-DfE/ESFA)				
Other COVID-19 funding	-	-	-	35,012
	-	-	-	35,012
	191,181	7,592,788	7,783,969	6,540,642
	191,181	7,592,788	7,783,969	6,540,642
Total 2021	109,251	6,431,391	6,540,642	

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5. Funding for the Academy's charitable activities (continued)

In 2020/21 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.

In 2020/21 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.

In 2020/21 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

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Lettings	2,913	-	2,913	1,497
Other trading income	1,753	-	1,753	-
Consultancy	-	113,373	113,373	104,975
Fees received	103,193	-	103,193	66,444
Income from ancillary trading activities	231,824	-	231,824	236,000
	<u>339,683</u>	<u>113,373</u>	<u>453,056</u>	<u>408,916</u>
<i>Total 2021</i>	<u>303,941</u>	<u>104,975</u>	<u>408,916</u>	

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7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Bank interest	114	114	68
<i>Total 2021</i>	<u>68</u>	<u>68</u>	

8. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	<i>Total 2021 £</i>
Expenditure on fundraising trading activities:					
Direct costs	250,596	-	106,930	357,526	265,569
Education:					
Direct costs	4,674,317	82,372	541,206	5,297,895	5,214,852
Allocated support costs	1,870,902	752,599	837,736	3,461,237	2,219,738
Other expenditure	-	-	787,944	787,944	185,540
	<u>6,795,815</u>	<u>834,971</u>	<u>2,273,816</u>	<u>9,904,602</u>	<u>7,885,699</u>
<i>Total 2021</i>	<u>5,702,185</u>	<u>837,040</u>	<u>1,346,474</u>	<u>7,885,699</u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Education	5,297,895	3,461,237	8,759,132	7,434,590
<i>Total 2021</i>	<u>5,214,852</u>	<u>2,219,738</u>	<u>7,434,590</u>	

Analysis of direct costs

	Education 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	4,626,901	4,626,901	4,617,788
Depreciation	158,718	158,718	174,737
Educational supplies	217,753	217,753	160,372
Staff development	99,035	99,035	58,746
Other costs	20,028	20,028	21,753
Supply teachers	47,416	47,416	62,564
Technology costs	128,044	128,044	118,892
	<u>5,297,895</u>	<u>5,297,895</u>	<u>5,214,852</u>
<i>Total 2021</i>	<u>5,214,852</u>	<u>5,214,852</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Pension finance costs	81,000	81,000	51,000
Staff costs	1,821,441	1,821,441	773,549
Depreciation	72,775	72,775	43,316
Other costs	2,673	2,673	-
Recruitment and other staff costs	52,581	52,581	34,895
Maintenance of premises and equipment	224,543	224,543	202,697
Cleaning	102,456	102,456	182,019
Rent and rates	293,184	293,184	255,381
Heat and light	94,648	94,648	75,582
Insurance	34,421	34,421	22,071
Security and transport	25,515	25,515	15,795
Catering	252,074	252,074	198,601
Technology costs	105,285	105,285	110,250
Office overheads	67,718	67,718	75,432
Legal and professional	224,672	224,672	168,920
Bank interest and charges	1,256	1,256	970
Governance costs	4,995	4,995	9,260
	<u>3,461,237</u>	<u>3,461,237</u>	<u>2,219,738</u>
<i>Total 2021</i>	<u>2,219,738</u>	<u>2,219,738</u>	

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10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	39,888	34,833
Depreciation of tangible fixed assets	231,494	218,055
Fees paid to auditors for:		
- audit	10,435	9,200
- other services	4,055	5,255
	4,055	5,255

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2022 £	Group 2021 £	Academy 2022 £	Academy 2021 £
Wages and salaries	4,621,104	3,976,853	4,387,338	3,777,823
Social security costs	382,437	318,389	371,381	309,375
Pension costs	1,707,236	1,299,166	1,701,462	1,291,867
	6,710,777	5,594,408	6,460,181	5,379,065
Agency staff costs	47,416	62,564	47,416	62,564
Staff restructuring costs	37,622	45,213	37,622	45,213
	6,795,815	5,702,185	6,545,219	5,486,842

Staff restructuring costs comprise:

	Group 2022 £	Group 2021 £	Academy 2022 £	Academy 2021 £
Redundancy payments	-	25,213	-	25,213
Severance payments	37,622	20,000	37,622	20,000
	37,622	45,213	37,622	45,213

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11. Staff (continued)

b. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £37,622 (2021: £20,000). Individually, the payment was a single £37,622.

c. Staff numbers

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

	Group 2022 No.	<i>Group 2021 No.</i>	Academy 2022 No.	<i>Academy 2021 No.</i>
Teachers	61	56	61	62
Administration and support	154	145	135	128
Management	9	9	9	3
	<u>224</u>	<u>210</u>	<u>205</u>	<u>193</u>

d. Higher paid staff

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

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	1
	<u>1</u>	<u>1</u>

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 £316,740 (2021: £297,587). 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 £7,342 (2021: £31,324).

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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 2022, this represented 12.3% of General Annual Grant income and direct charges for labour and non-labour costs (2021: 11.6% 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:

	2022	<i>2021</i>
	£	£
Shaldon Primary School	153,952	<i>137,416</i>
Redhills Community Primary School	169,430	<i>174,981</i>
Galmpton Church of England Primary School	159,327	<i>143,809</i>
Collaton St Mary Church of England Primary School	159,758	<i>144,727</i>
Totnes St John's C of E Primary School	118,223	<i>95,848</i>
Brixham C of E Primary School	165,597	<i>155,183</i>
Total	926,287	<i>851,964</i>

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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:

		2022	2021
		£	£
C Weyman, CEO	Remuneration	95,000 - 100,000	<i>95,000 - 100,000</i>
	Pension contributions paid	20,000 - 25,000	<i>20,000 - 25,000</i>

During the year ended 31 August 2022, expenses totalling £588 were reimbursed or paid directly to 3 Trustees (*2021 - £185 to 1 Trustee*). 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 2022 was £24,945, 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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15. Intangible assets

Group and Academy

	Computer software £
Cost	
At 1 September 2021	8,663
At 31 August 2022	<u>8,663</u>
Amortisation	
At 1 September 2021	8,663
At 31 August 2022	<u>8,663</u>
Net book value	
At 31 August 2022	<u>-</u>
<i>At 31 August 2021</i>	<u>-</u>

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16. Tangible fixed assets

Group and Academy

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	6,985,713	311,450	218,039	10,995	7,526,197
Additions	747,144	17,531	24,749	-	789,424
Transfers in on academies joining the trust	22,635	1,977	35,074	-	59,686
At 31 August 2022	<u>7,755,492</u>	<u>330,958</u>	<u>277,862</u>	<u>10,995</u>	<u>8,375,307</u>
Depreciation					
At 1 September 2021	570,141	135,204	132,729	6,747	844,821
Charge for the year	120,140	49,274	58,663	3,417	231,494
At 31 August 2022	<u>690,281</u>	<u>184,478</u>	<u>191,392</u>	<u>10,164</u>	<u>1,076,315</u>
Net book value					
At 31 August 2022	<u><u>7,065,211</u></u>	<u><u>146,480</u></u>	<u><u>86,470</u></u>	<u><u>831</u></u>	<u><u>7,298,992</u></u>
At 31 August 2021	<u><u>6,415,572</u></u>	<u><u>176,246</u></u>	<u><u>85,310</u></u>	<u><u>4,248</u></u>	<u><u>6,681,376</u></u>

17. Debtors

	Group 2022 £	Group 2021 £	Academy 2022 £	Academy 2021 £
Due within one year				
Trade debtors	24,038	31,064	22,985	25,520
Amounts owed by group undertakings	-	-	112,289	228,594
Prepayments and accrued income	1,115,654	173,095	1,114,313	171,798
Tax recoverable	258,468	53,560	258,468	53,560
	<u><u>1,398,160</u></u>	<u><u>257,719</u></u>	<u><u>1,508,055</u></u>	<u><u>479,472</u></u>

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18. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Trade creditors	676,146	121,177	674,121	121,147
Other taxation and social security	99,927	74,210	98,066	72,569
Other creditors	160,128	89,211	159,063	89,211
Accruals and deferred income	372,677	225,323	371,117	223,883
	1,308,878	509,921	1,302,367	506,810
	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Deferred income at 1 September 2021	92,462	77,678	92,462	77,678
Resources deferred during the year	109,120	92,462	109,120	92,462
Amounts released from previous periods	(92,462)	(77,678)	(92,462)	(77,678)
	109,120	92,462	109,120	92,462

At the balance sheet date the academy trust was holding funds of £109,120 received in advance for UIFSM.

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19. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General funds	464,739	572,042	(102,952)	17,000	-	950,829
Restricted general funds						
General Annual Grant	-	5,873,863	(5,752,704)	(42,363)	-	78,796
High Needs	-	356,678	(356,678)	-	-	-
Donations	3,402	24,426	(27,828)	-	-	-
Diocese Land and Building Rent	-	220,833	(220,833)	-	-	-
Pupil Premium	-	474,936	(474,936)	-	-	-
UIFSM	-	158,992	(158,992)	-	-	-
Other DfE/ESFA Grants	47,953	382,331	(425,284)	(5,000)	-	-
TCAF Grant	-	306,500	(90,727)	-	-	215,773
Other Restricted Income	-	152,861	(152,861)	-	-	-
Pension reserve	(4,491,000)	-	(1,969,000)	-	4,986,000	(1,474,000)
	(4,439,645)	7,951,420	(9,629,843)	(47,363)	4,986,000	(1,179,431)

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19. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Fixed assets transferred on conversion	5,783,386	-	(117,856)	-	-	5,665,530
Fixed assets purchased from GAG	102,045	-	(11,969)	42,363	-	132,439
DfE/ESFA Capital Grants	723,393	1,040,259	(59,463)	5,000	-	1,709,189
Other restricted funds	89,551	-	(37,182)	(17,000)	-	35,369
Fixed assets transferred on an existing academy joining the trust	-	-	54,663	-	-	54,663
	<u>6,698,375</u>	<u>1,040,259</u>	<u>(171,807)</u>	<u>30,363</u>	<u>-</u>	<u>7,597,190</u>
Total Restricted funds	<u>2,258,730</u>	<u>8,991,679</u>	<u>(9,801,650)</u>	<u>(17,000)</u>	<u>4,986,000</u>	<u>6,417,759</u>
Total funds	<u><u>2,723,469</u></u>	<u><u>9,563,721</u></u>	<u><u>(9,904,602)</u></u>	<u><u>-</u></u>	<u><u>4,986,000</u></u>	<u><u>7,368,588</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.

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19. Statement of funds (continued)

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

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

TCAF Grant - This represents funding from the DfE which is to be used to improve the trusts resource management and capacity to grow.

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 2022.

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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2021</i>
	£	£	£	£	£	£
Unrestricted funds						
General funds	177,166	552,250	(264,677)	-	-	464,739
Restricted general funds						
General Annual Grant	-	4,965,464	(4,879,734)	(85,730)	-	-
High Needs	-	364,247	(364,247)	-	-	-
Donations	1,983	59,465	(58,045)	-	-	3,403
Diocese Land and Building Rent	-	200,000	(200,000)	-	-	-
Pupil Premium	-	412,589	(412,589)	-	-	-
UIFSM	-	158,503	(158,503)	-	-	-
Other DfE/ESFA Grants	18,700	356,260	(327,008)	-	-	47,952
Other Restricted Income	-	105,386	(105,386)	-	-	-
Catch-up premium	-	96,960	(96,960)	-	-	-
Other COVID income	-	76,957	(76,957)	-	-	-
Pension reserve	(2,935,000)	(327,000)	(538,000)	-	(691,000)	(4,491,000)
	<u>(2,914,317)</u>	<u>6,468,831</u>	<u>(7,217,429)</u>	<u>(85,730)</u>	<u>(691,000)</u>	<u>(4,439,645)</u>

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19. Statement of funds (continued)

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Fixed assets transferred on conversion	5,891,063	12,055	(119,732)	-	-	5,783,386
Fixed assets purchased from GAG	32,644	-	(16,329)	85,730	-	102,045
DfE/ESFA Capital Grants	706,785	75,848	(59,240)	-	-	723,393
Other restricted funds	95,303	17,000	(22,752)	-	-	89,551
	<u>6,725,795</u>	<u>104,903</u>	<u>(218,053)</u>	<u>85,730</u>	<u>-</u>	<u>6,698,375</u>
Total Restricted funds	<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>
Total funds	<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>

Total funds analysis by academy

The Academies for Character and Excellence uses GAG pooling. Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
The Academies for Character and Excellence	<u>1,245,398</u>	<u>516,093</u>
Restricted fixed asset fund	<u>7,597,190</u>	<u>6,698,375</u>
Pension reserve	<u>(1,474,000)</u>	<u>(4,491,000)</u>
Total	<u><u>7,368,588</u></u>	<u><u>2,723,468</u></u>

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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	<i>Total 2021 £</i>
Shaldon Primary School	586,547	60,225	32,047	201,494	880,313	<i>801,010</i>
Redhills Community Primary School	697,573	129,585	26,414	262,798	1,116,370	<i>1,081,425</i>
Central	373,292	320,513	5,671	901,910	1,601,386	<i>1,216,326</i>
Galmpton Church of England Primary School	614,626	137,758	24,318	141,408	918,110	<i>954,281</i>
Collaton St Mary Church of England Primary School	654,689	108,692	33,122	200,178	996,681	<i>961,936</i>
Totnes St Johns	568,098	108,554	20,917	168,411	865,980	<i>919,360</i>
Brixham Church of England Primary School	656,402	122,224	38,063	125,467	942,156	<i>1,019,768</i>
Torre Church of England Primary School	473,674	106,351	28,867	95,277	704,169	<i>-</i>
Total	4,624,901	1,093,902	209,419	2,096,943	8,025,165	<i>6,954,106</i>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	7,298,992	7,298,992
Current assets	2,259,707	294,569	298,198	2,852,474
Creditors due within one year	(1,308,878)	-	-	(1,308,878)
Provisions for liabilities and charges	-	(1,474,000)	-	(1,474,000)
Total	950,829	(1,179,431)	7,597,190	7,368,588

Analysis of net assets between funds - prior year

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

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

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(340,881)	(574,175)
Adjustments for:		
Schools joining the trust	787,944	185,540
Depreciation	231,494	218,055
Capital grants from DfE and other capital income	(1,040,257)	(92,848)
Interest receivable	(114)	(68)
Defined benefit pension scheme cost less contributions payable	779,000	487,000
Defined benefit pension scheme finance cost	81,000	51,000
(Increase)/decrease in debtors	(517,716)	38,602
Increase/(decrease) in creditors	228,813	(3,400)
Net cash provided by operating activities	209,283	309,706

22. Cash transferred on conversion to an academy trust

	Group 2022 £	Group 2021 £
Cash on conversion	299,023	129,405
Net cash provided by financing activities	299,023	129,405

23. Cash flows from investing activities

	Group 2022 £	Group 2021 £
Dividends, interest and rents from investments	114	68
Purchase of tangible fixed assets	(288,239)	(295,126)
Capital grants from DfE Group	448,838	198,087
Net cash provided by/(used in) investing activities	160,713	(96,971)

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24. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand and at bank	1,454,314	785,295
Total cash and cash equivalents	1,454,314	785,295

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Acquisition and disposal of subsidiaries £	At 31 August 2022 £
Cash at bank and in hand	785,295	407,649	261,370	1,454,314
	785,295	407,649	261,370	1,454,314

26. Capital commitments

	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Contracted for but not provided in these financial statements	254,078	-	254,078	-

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27. Pension commitments

The Academy Trust'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 £113,242 were payable to the schemes at 31 August 2022 (2021 - £104,434) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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27. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £562,930 (2021 - £498,274).

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 2022 was £471,000 (2021 - £399,000), of which employer's contributions totalled £363,000 (2021 - £308,000) and employees' contributions totalled £ 108,000 (2021 - £91,000). The agreed contribution rates for future years are 15.4 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

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27. Pension commitments (continued)

Principal actuarial assumptions

	2022	<i>2021</i>
	%	%
Rate of increase in salaries	3.95	3.85
Rate of increase for pensions in payment/inflation	2.95	2.85
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.95	2.85

The UK is currently experiencing a period of high inflation. As the deferred pensioner and pensioner obligations in the LGPS are increased each April in line with the previous September's rate of CPI, the high level of inflation is expected to lead to a high Pension Increase Order being applied in April 2023. Therefore, the actuary has adjusted the CPI assumption to reflect the likely significant inflationary increase to LGPS benefits in April 2023. Although not yet confirmed by government, the annual increase is due to be based on the level of CPI increases between September 2021 and September 2022, which has been estimated to be 9.5%. As a result, within the standard CPI assumption derivation, the actuary has allowed for a year 1 CPI figure of 9.5%.

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

	2022	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21.7	23.0
Females	22.9	24.2
<i>Retiring in 20 years</i>		
Males	23.0	24.4
Females	24.3	25.6

Sensitivity analysis

	2022	<i>2021</i>
	£000	£000
Discount rate +0.1%	(153)	(203)
Discount rate -0.1%	157	208
Mortality assumption - 1 year increase	172	283
Mortality assumption - 1 year decrease	(168)	(273)
CPI rate +0.1%	151	196
CPI rate -0.1%	(147)	(191)

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27. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	2,450,000	1,937,000
Gilts	-	397,000
Other bonds	918,000	58,000
Property and infrastructure	803,000	396,000
Cash	66,000	19,000
Target return portfolio and alternative assets	384,000	288,000
Total market value of assets	4,621,000	3,095,000

The actual return on scheme assets was £-147,000 (2021 - £487,000).

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

	2022 £	2021 £
Current service cost	(1,140,000)	(794,000)
Interest income	64,000	40,000
Interest cost	(145,000)	(91,000)
Administrative expenses	(2,000)	(1,000)
Total amount recognised in the Consolidated statement of financial activities	(1,223,000)	(846,000)

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27. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	7,586,000	4,946,000
Conversion of academy trusts	2,360,000	570,000
Current service cost	1,140,000	794,000
Interest cost	145,000	91,000
Employee contributions	108,000	91,000
Actuarial (gains)/losses	(5,197,000)	1,138,000
Benefits paid	(47,000)	(44,000)
At 31 August	6,095,000	7,586,000

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

	2022 £	2021 £
At 1 September	3,095,000	2,011,000
Conversion of academy trusts	1,251,000	243,000
Interest income	64,000	40,000
Actuarial (losses)/gains	(211,000)	447,000
Employer contributions	363,000	308,000
Employee contributions	108,000	91,000
Benefits paid	(47,000)	(44,000)
Administration expenses	(2,000)	(1,000)
At 31 August	4,621,000	3,095,000

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28. Operating lease commitments

At 31 August 2022 the Group and the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group 2021 £</i>	Academy 2022 £	<i>Academy 2021 £</i>
Not later than 1 year	17,637	39,888	17,637	39,888
Later than 1 year and not later than 5 years	20,275	28,755	20,275	28,755
	37,912	68,643	37,912	68,643

29. Members' liability

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

30. Related party transactions

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

31. Post balance sheet events

On 1 October 2022 Berry Pomeroy Church of England Primary School joined The Trust.

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32. Transfer of existing academies into the academy

On 1 April 2022 Torre Church of England Primary School joined The Academies for Character and Excellence and all operations and assets and liabilities were transferred for £Nil consideration. The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of financial activities incorporating income and expenditure account as expenditure on charitable activities - Transfer from academies joining the Trust. The following table sets out the fair values of the identifiable assets and liabilities transferred:

	Value reported by transferring trust £	Transfer in recognised £
Intangible assets		
Tangible fixed assets		
Long-term leasehold property	22,635	22,635
Furniture and equipment	1,977	1,977
Computer equipment	35,074	35,074
Current assets		
Stocks	7,162	7,162
Debtors due after one year	24,145	24,145
Cash at bank and in hand	299,023	299,023
Liabilities		
Creditors due within one year	(68,960)	(68,960)
Pensions		
Pensions - pension scheme assets	1,251,000	1,251,000
Pensions - pension scheme liabilities	(2,360,000)	(2,360,000)
Net liabilities	<u>(787,944)</u>	<u>(787,944)</u>