

THE ACADEMIES FOR CHARACTER AND EXCELLENCE

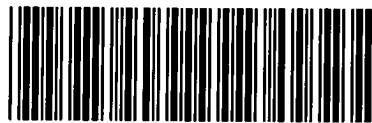
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023



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

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THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	G Kinchin (Representing Plymouth Marjon) T Falcao (resigned 31 December 2022) P Gray (Representing EDEN) (resigned 27 July 2023) R Dickinson J Eason (appointed 17 January 2023) EDEN (Corporate member) P Bailey (appointed 17 January 2023)
Trustees	C Weyman, CEO (resigned 25 November 2022) J Gater E Hibberd (resigned 1 January 2023) F Sabet R Willoughby, Chair of Trustees P Mantell M Haskell J Coe G Hobbs
Company registered number	10098444
Company name	The Academies 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 N Jones-Whyte, Finance Director (appointed 7 September 2022) N Hind, Deputy CEO and Excellence Director (appointed 1 November 2023)
Independent auditors	Griffin Chartered Accountants Courtenay House Pynes Hill Exeter EX2 5AZ
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 2023

Solicitors

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

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Academy Trust operated 8 primary schools across the South West of England as at 31 August 2023.

These included:

- Berry Pomeroy Parochial C of E Primary School
- Brixham C of E Primary School
- Collaton St. Mary C of E Primary School
- Galmpton C of E Primary School
- Torre C of E Academy
- Totnes St. John's C of E Primary School
- Shaldon Primary School
- St. Gabriel's C of E Primary School

The Trust's academies have a combined capacity in Nursery to Year 6 of 1778 and the schools have a roll of 1577, as recorded in the Autumn 2023 school census. Berry Pomeroy Parochial C of E Primary School was supported through a management partnership before converting into the Trust 1 October 2022. Redhills Primary School re-designated to St. Gabriel's Church of England Primary School on 1 September 2022 and will be referred to as St. Gabriel's during this report.

During the year ending 31 August 2023, the Trust was in Management Partnerships with:

- Newtown Primary School
- Trinity C of E VA Primary and Nursery School
- Georgeham C of E VC Primary School (ceased 31 August 2023)
- Baltonsborough C of E VC Primary School

Newtown Primary School, Trinity C of E VA Primary and Nursery School, Castle Cary Community Primary School, Ashill Community Primary School, Buckland St. Mary C of E Primary School, Hatch Beauchamp C of E Primary School, Holy Trinity C of E Primary School, Stockland C of E Primary Academy and Winsham Primary School are due to join the Trust during the academic year 2023/24. These schools will therefore not be reflected in 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 C of E Primary School and Galmpton C of E Primary School on the 1 November 2017 and Totnes St. John's C of E Primary School on the 1st December 2018. Brixham C of E Primary School converted into the Trust on 1 September 2020, followed by Torre C of E Academy on 1 April 2022 and Berry Pomeroy Parochial C of E Primary School on 1 October 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

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.

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 was treated for all purposes as being an ex officio Trustee (stepping down from this role on 25 November 2022 upon approval of the new Articles by the DfE).

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

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development. This is reflected in the skills analysis carried out by the Board.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

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. 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.

e. Organisational structure

Board of Trustees:

The Board of Trustees normally meets at least six times a year (or more frequently if necessary). 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, 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 meets at least five 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: People; 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. As at 31 August 2023, the structure was:

- Local Committees at Shaldon Primary School, St. Gabriel's C of E Primary School, Collaton St. Mary C of E Primary School, Galampton C of E Primary School, Brixham C of E Primary School, Berry Pomeroy Parochial C of E Primary School and Torre C of E Academy, meeting up to 5 times per annum.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

- During the reporting year, there was no Governing body at Totnes St. John's, but this was managed via an Interim Advisory Board (IAB) consisting of 3 Strategic Board Directors, the Trust Leadership Team and the Headteacher. The IAB met 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 in 2023/24.

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, the Operations Lead and the People Lead.

During 2022/23, The Education Leadership Team comprised of the CEO; Talent and Innovation Lead (Consultancy); ACE Strategic Advisors; and Collaboration Lead. The Talent and Innovation Lead (Consultancy) with the ASAs overseeing 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.

In 2022/23, The Central Services Team comprised of the Business Team, Education Team and Governance Team. The CEO oversees the Business Leads (Finance, People and Operations) as well as the Education Leads (Talent and Innovation Lead (Consultancy), 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
- 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 ROD, Diocese and ESFA

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

School Improvement:

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

Curriculum:

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

Finance:

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

HR and Payroll:

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

Safeguarding and Inclusion:

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

Healthy Communities and catering:

- Drives national award programmes in each school, e.g. Food for Life
- Support to Headteachers and school teams to build community partnerships
- Improves nutritional standards across all schools

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

- 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 Office
- DPO compliance and support
- DPO Training
- Complaints and Exclusion support
- Clerk support through mentoring and Trust Improvement Group's

Website and Graphic Design:

- Website design
- Graphic design
- Newsletter design

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

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

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

g. Related parties and other connected charities and organisations

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

The 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 undertakes Teaching School Improvement projects to support schools. The Trust provides support through management partnerships and in 2022/23 there were management partnerships in place with Trinity C of E VA Primary and Nursery School, Newtown Primary School, Baltonsborough C of E VC Primary School and Georgeham C of E VC Primary School.

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 2023

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:

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 recognises 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 2023, no employees of the Trust were relevant union officials.

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.

The Trust is fully inclusive and in relation to each of the schools recognises and supports the individual ethos, whether or not, a designated Church of England school.

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.

Our mission: '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.

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

'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 curriculum for excellence and assurance that central services provide value for money. The intended outcome of these priorities is to ensure our children achieve the best possible life chances.

b. Objectives, strategies and activities

The Trust regularly reviews its key objectives and strategies for achieving its mission of 'Achieving Excellence through Cultivating Character, Sharing Talents and Pursuing Innovation'. 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 pursuing Excellence at all levels.
- Service: Develop our Trust as a Civic Organisation.
- Aligned Organisation: Embedding resilient 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.

Educational Support for Schools

The ACE Provision and Capacity Model is centred around a Core Excellence Team which delivers on five strands of support:

- **ACE Strategic Advisors (ASAs)**
The ASA is a role providing strategic advice to a limited number of schools across the year. Through this role they are able to broker improvement support from the Core Excellence Team.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

- **ACE Expert Practitioners**
The Expert Practitioners have followed the Teaching and Learning strand of ACE Talent Management Programme. All practitioners are able to demonstrate and model outstanding ACE provision whilst at the same time have undergone coaching and mentoring training.
- **ACE Subject Lead Advisors (SLA)**
Subject Lead Advisors have all specialised in one or more curriculum area. They have demonstrated a real understanding of curriculum planning, monitoring and evaluation, as well as specific subject pedagogy.
- **ACE Research and Development Teams**
These teams are commissioned through the Core Excellence Team. The focus of the work is determined by the specific needs of groups of schools working together in a particular area.
- **Core Aspect Teams**
Core Aspect Teams respond to specific needs of schools in areas not directly linked to curriculum and quality of provision for pupils. Examples of this include: Christian Distinctiveness; Safeguarding; Equity; Data; ECTs; and Early Years.

Core Aspect Team support can be requested by individual schools or through the ASA.

The Core Excellence Team has two further responsibilities. The first is to quality assure all aspects of school support and improvement. The second is to ensure capacity exists to formulate a Rapid Action Team should a school find themselves in sudden crisis.

The Executive Team and Trustees regularly track and review Trust Performance data with oversight supported by local committees.

c. Public benefit

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

Strategic report

Achievements and performance

School	OFSTED Grade on joining the Trust	OFSTED Grade Now
Shaldon Primary School Started the Trust in 2016	Outstanding 2014	Awaiting Re-inspection
St Gabriel's C of E Primary School Started the Trust in 2016	Good 2012	Good 2019
Collaton St Mary C of E Primary School Joined the Trust in 2017	Good 2014	Good 2022
Galmpton C of E Primary School Joined the Trust in 2017	Good 2017	Good Improver 2022
Totnes St John's C of E Primary School Joined the Trust in 2018	Inadequate 2017	Good 2023
Brixham C of E Primary School Joined the Trust in 2020	Requires Improvement 2019	Good 2023
Torre C of E Academy Joined the Trust in April 2022	Good 2022	Good 2022
Berry Pomeroy Parochial C of E Primary School Joined the Trust in October 2022	Good 2017	Good 2017

The Trust has reviewed its curriculum 'A Curriculum for Excellence' and completed a re-write of this document in 2022/23.

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 2023/4, 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.

SIAMS

Totnes St. John's C of E Primary School was judged to be 'Good' under the Church School Inspection in June 2022.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

2022/23 Trust Wide Attendance

	All Pupils	Pupil Premium	SEND	EHCP	EAL
Attendance %	94.06%	93.20%	93.05%	92%	92.5%
Persistent Absence %	15%	22%	20%	22%	14%

2022/23 Trust Outcomes

The Trust set a target to reduce the gap for disadvantaged pupils to 12% or less by the end of 2023 and this was the focus for Pupil Premium funding.

EYFS	All	PP
GLD	78%	65%

The Trusts combined results in phonics demonstrate significantly higher outcomes than national and a reduction in the gap with Disadvantaged.

Year 1 Phonics	All (National 79%)	PP (National 67%)
	91%	84%

Key Stage 1	All	PP
R	82%	69%
W	80%	67%
M	83%	71%

Key Stage 2 Expected	All	PP
R	85%	77%
W	84%	77%
M	86%	77%
RWM	80%	72%

Other notable achievements across the Trust:

The Trust has worked across DfE funded projects to deliver school to school support and improve outcomes for children across the South West. Trust Leaders have also been commissioned to support other Trusts and Schools in the South West.

Totnes St. John's C of E Primary School, which was sponsored as Inadequate by the Trust in 2017, achieved a Good OFSTED outcome in March 2023.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Brixham C of E Primary School, which joined the Trust with an RI judgement, achieved a Good OFSTED outcome in July 2023.

Financial Key Performance Indicators

The Trust continues work with its appointed accountants and monitor national benchmarking frameworks and has started to develop an extended range of KPIs that form part of the robust monthly financial performance review undertaken by executive management in conjunction with the Finance, Audit and Risk Committee (FARC). A selection of key KPIs is outlined below:

KPI	Benchmark	2022/23	2021/22
Underlying Operating Surplus/ (deficit)	3%	-3.0%	3.9%
Total Staff Cost Ratio (as a % of total income)	75%	76.7%	71.5%
Teaching Staff Cost Ratio (as a % of pupil driven income)	45%	45.8%	45.2%
Non Staff Cost Ratio (as a % of total income)	25%	28.4%	24.6%
Unrestricted Reserves (as % of total income)	5%	12.1%	11.8%
Cash Reserves % (Total Income)	8%	16.8%	17.3%

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.

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Financial review

It has been another year of growth, with Berry Pomeroy Parochial C of E Primary School joining the Trust in October 2022 alongside the continuing financial challenges including high inflation which continued to adversely impact prices for various regularly purchased goods and services including gas, electric and food.

The FARC agreed a set of performance targets for 2022/23 including achieving a 3% (2022: 3%) Operating Surplus against Total Funds and for the Trust Schools to establish a longer-term objective of establishing a 10% (2021: 10%) level of Income Funds and a Trust Cash at Bank and in Hand level of 8% (2022: 8%) of the Trusts Total Income.

The Trust reported a 3% in year operating deficit (2022: 3.9% surplus) against Total Funds (excluding transfers on conversion) reflecting increased prices due to inflation, unfunded pay awards and increased central costs incurred to develop capacity for future growth. The total staff cost ratio is 7.4% higher than the prior year and 2.3% higher than benchmark primarily driven by increased staffing to develop capacity for future growth and unfunded pay awards. Teaching staff cost and non-staff cost ratios are broadly in line with budget demonstrating effective cost control that has offset adverse impact of price inflation.

The Trust has achieved a Cash at Bank and in Hand level of 16.8% (2022: 17.4%) of the total income and reported.

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 continued high inflation impacting energy prices, and other key goods such as food, the continuing war following the Russian invasion of Ukraine. Investment has been made primarily into the Trusts estates through delivery of the repairs and maintenance strategy with no significant capital projects during the year. The need to provide additional staffing cover and the impact of un-funded pay awards has also negatively affected our cost base.

During the year, the Trust received revenue income totalling £10,255,462 (2022: £9,563,721) and expenditure totalling £10,310,232 (2022: £9,116,658) excluding the transfer on academies joining the trust and pension costs. Total expenditure in excess of income totals £54,770 (2022: £447,063 income in excess of expenditure). Berry Pomeroy Parochial C of E Primary School transferred into the Academies for Character and Excellence on 1st October 2022, and £185,415 of income was received.

The net book value of tangible fixed assets at year-end totalled £6,271,245 (2022: £7,298,992).

The Trustees consider the overall total funds position of £7,162,904 (2022: £7,368,588) comprising £6,441,197 (2022: £7,597,196) of restricted fixed asset funds, together with (£459,000) (2022: (£1,179,431)) of restricted funds and £1,180,707 (2022: £950,829) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £459,000 (2022: £1,474,000) and general restricted funds of £Nil (2022: £294,569).

During the year ended 31st August 2023, the Trust generated an in-year revenue deficit of £250,106 with total restricted & unrestricted revenue reserves held at year-end of £1,180,707.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 2021/22 to ensure the Trust continues to balance investing in its infrastructure and estates alongside ensuring sufficient funds for financial risks.

An area of deficit performance has been within Totnes St. John's C of E Primary School, which has been adversely impacted by reduced income linked to low pupil numbers in addition to the upward pressure on prices primarily driven by price inflation and unfunded pay awards during the year. Following the School's good OFSTED outcome from the 2023 inspection pupil numbers have increased for the 2023/24 academic year and this is expected to result in increased revenue for 2024/25.

Whilst there were additional operational costs driven by continued high inflation that has been partially impacted by the continuing war following Russia's 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.

At the balance sheet date the Trust was holding £1,180,707 of funds. This was made up of unrestricted funds only.

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.

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 92.7% 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.

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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.

Fraud and mismanagement of funds

The Accounting Officer and Chief Finance Officer are responsible for ensuring financial systems and records are compliant with the handbook and mitigate the risk of fraud and mismanagement of funds. As part of a range of measures all finance staff receive training to keep them up to date with financial practice requirements and develop their skills and understanding. Performance in this area is monitored and held to account by the appointed external and internal auditors and internally via the Finance, Audit and Risk Committee and the Strategic Board.

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 28 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.

Effective Estates Management

The Trustees continue to ensure excellent standards are maintained in relation to estates based compliance, health and safety and maintenance. Failure to deliver a comprehensive estates strategy could lead to various adverse outcomes including injuries, health issues, financial penalties and school closures.

To mitigate health and safety and compliance risk the Trustees have appointed a designated member of the Trust Board to oversee the successful delivery of the annual compliance program and to ensure appropriate policies and procedures are in place and reviewed annually. This work is supported by an annual internal and external audit program that provides crucial independent evaluation of performance.

To ensure Trust estates are well maintained and fit for purpose the Trustees oversee the progress of delivery of the Board approved estates repairs and maintenance strategy. Oversight is achieved through reporting and communication aligned to the annual Board reporting cycle. Mechanisms are in place to ensure that Trustees are updated on material events (e.g. RAAC reviews) in the interim between formal Board meetings.

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.

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

The Trust Development plan has the following key objectives for 2023/24:

1. To publish the second re-write of the curriculum, 'A Curriculum for Excellence'.
2. To implement the Trust People Strategy.
3. To onboard a group of Somerset Schools.
4. To implement the curriculum as part of the onboarding process.
5. To embed the new Premises structure.
6. To re-formulate the Trust vision for 2024/27.
7. To develop ACE Pedagogy.
8. To further close the gap for the disadvantaged.
9. To secure clarity of approach to operational systems, processes and controls.
10. To review and develop a revised IT strategy.
11. To ensure efficiently managed, safe, compliant and sustainable estates and premises.
12. To continue to develop a catering model of excellence.
13. To develop and implement ICT and Procurement Strategy.
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

The Trust will be growing from 8 schools to 17 schools in the early part of 2023/24.

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

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 7 December 2023 and signed on its behalf by:



R Willoughby
Chair of Trustees

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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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 Academies 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 7 times during the year.

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

Trustee	Meetings attended	Out of a possible
C Weyman, CEO (resigned as Trustee 25 November 2022)	1	1
J Gater	7	7
E Hibberd (resigned 1 January 2023)	2	2
F Sabet	4	7
R Willoughby, Chair of Trustees	7	7
P Mantell	7	7
M Haskell	6	7
J Coe	6	7
G Hobbs	5	7

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.

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
- Ensuring the sports premium and pupil premium money is well spent. This will be done through a regular cycle of meetings which will include reports and data sent to them.

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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, Estates and Premises Management; School Performance and benchmarking of the Trust's 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.

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.

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; People; Community Partnerships; Safeguarding; Curriculum and Standards; and Church school distinctiveness.

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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)	6	6
J Coe	5	6
G Hobbs	5	6

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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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.

During the financial year ended 31 August 2023 the Trust consistently delivered value for money through its procurement process. The Trust assess value for money on a criteria based on quality and price. The weighting between these criteria is dependent on the goods or services being procured.

Specific examples include the Trust wide investment in new software, a phonics program and grounds maintenance contract. Each of these procurements have benefited from the growing size of the Trust and delivered high quality goods and services at competitive prices due to economies of scale. New Finance, HR and Business Management software has streamlined processes enabling the Trust to deliver an improved service to Trust schools at a lower cost base. Trust wide investment in a new phonics scheme provides consistency, opportunities for collaboration and is delivering improved outcomes for pupils. The Grounds maintenance contract negotiated at the Trust level is delivering an improved service ensuring Trust estates are well maintained and fit for purpose.

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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GOVERNANCE STATEMENT (CONTINUED)

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 2022 to 31 August 2023 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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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 Academy's financial systems. In particular, the checks carried out in the current period included:

- Core purchase processes and procedures (including fraud & regularity and contracts & procurement)
- Income
- Charge cards
- Staff expenses
- Fixed assets
- Management accounts
- Payroll process
- ATH Musts
- Budgets: Planning, Control and Review
- Bank reconciliation and month-end controls
- Business interests, including related party procedures
- Policies

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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

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

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 financial management and governance self-assessment process;
- the work of the internal auditor;
- 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 Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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 sytem is in place.

Approved by order of the members of the Board of Trustees on 7 December 2023 and signed on their behalf by:



R Willoughby
Chair of Trustees



C Weyman
Accounting Officer


THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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STATEMENT OF 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, including for estates safety and management, 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 2022, including responsibilities for estates safety and management.

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 2022.

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: 7 December 2023

THE ACADEMIES FOR CHARACTER AND EXCELLENCE
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- 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 7 December 2023 and signed on its behalf by:


R Willoughby
Chair of Trustees

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

Opinion

We have audited the financial statements of The Academies for Character and Excellence (the 'parent Academy') and its subsidiaries (the 'Group') for the year ended 31 August 2023 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 2022 to 2023 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 2023 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 2022 to 2023 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
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACADEMIES 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
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACADEMIES 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

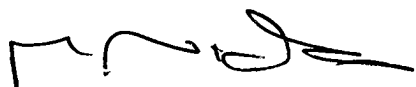
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ACADEMIES 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
Courtenay House
Pynes Hill
Exeter
EX2 5AZ

11 December 2023

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
ACADEMIES FOR CHARACTER AND EXCELLENCE AND THE EDUCATION AND 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 2022 to 2023, 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 2022 to 31 August 2023 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 Academies 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's funding agreement with the Secretary of State for Education dated 13 May 2020 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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:

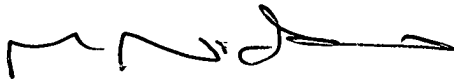
- Review of governance procedures
- Evaluation and testing of the system of internal controls, such as authorisation and value for money procedures
- Substantive testing on relevant transactions

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
ACADEMIES 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 2022 to 31 August 2023 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
Courtenay House
Pynes Hill
Exeter
EX2 5AZ

Date: 11/12/23

THE ACADEMIES 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 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants:	4					
Other donations and capital grants		2,347	294,424	158,532	455,303	1,326,582
Transfer from local authority on conversion		185,415	(19,000)	-	166,415	-
Other trading activities	6	424,132	155,796	-	579,928	453,056
Investments	7	287	-	-	287	114
Charitable activities	5	203,581	9,174,895	-	9,378,476	7,783,969
Total income		815,762	9,606,115	158,532	10,580,409	9,563,721
Expenditure on:						
Raising funds		310,975	48,800	-	359,775	357,526
Charitable activities	10	274,909	9,869,548	253,210	10,397,667	8,759,132
Other expenditure	9	-	-	1,256,651	1,256,651	787,944
Total expenditure		585,884	9,918,348	1,509,861	12,014,093	9,904,602
Net income/(expenditure)		229,878	(312,233)	(1,351,329)	(1,433,684)	(340,881)
Transfers between funds	19	-	(195,336)	195,336	-	-
Net movement in funds before other recognised gains		229,878	(507,569)	(1,155,993)	(1,433,684)	(340,881)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	28	-	1,228,000	-	1,228,000	4,986,000
Net movement in funds		229,878	720,431	(1,155,993)	(205,684)	4,645,119

THE ACADEMIES 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 2023**

Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Reconciliation of funds:					
Total funds brought forward	950,829	(1,179,431)	7,597,190	7,368,588	2,723,469
Net movement in funds	229,878	720,431	(1,155,993)	(205,684)	4,645,119
Total funds carried forward	<u><u>1,180,707</u></u>	<u><u>(459,000)</u></u>	<u><u>6,441,197</u></u>	<u><u>7,162,904</u></u>	<u><u>7,368,588</u></u>

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

The notes on pages 42 to 76 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	6,271,245	7,298,992
		<u>6,271,245</u>	<u>7,298,992</u>
Current assets			
Debtors	17	328,502	1,398,160
Cash at bank and in hand		1,845,416	1,454,314
		<u>2,173,918</u>	<u>2,852,474</u>
Creditors: amounts falling due within one year	18	(823,259)	(1,308,878)
Net current assets		<u>1,350,659</u>	<u>1,543,596</u>
Total assets less current liabilities		<u>7,621,904</u>	<u>8,842,588</u>
Net assets excluding pension liability		<u>7,621,904</u>	<u>8,842,588</u>
Defined benefit pension scheme liability	28	(459,000)	(1,474,000)
Total net assets		<u><u>7,162,904</u></u>	<u><u>7,368,588</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	6,441,197	7,597,190
Restricted income funds	19	-	294,569
Restricted funds excluding pension asset	19	<u>6,441,197</u>	<u>7,891,759</u>
Pension reserve	19	(459,000)	(1,474,000)
Total restricted funds	19	<u>5,982,197</u>	<u>6,417,759</u>
Unrestricted income funds	19	<u>1,180,707</u>	<u>950,829</u>
Total funds		<u><u>7,162,904</u></u>	<u><u>7,368,588</u></u>

The financial statements on pages 35 to 76 were approved by the Trustees, and authorised for issue on 07 December 2023 and are signed on their behalf, by:

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023



R Willoughby
(Chair of Trustees)

The notes on pages 42 to 76 form part of these financial statements.

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

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	16	6,271,245	7,298,992
		<u>6,271,245</u>	<u>7,298,992</u>
Current assets			
Debtors	17	575,915	1,508,055
Cash at bank and in hand		1,631,437	1,393,848
		<u>2,207,352</u>	<u>2,901,903</u>
Creditors: amounts falling due within one year	18	(817,037)	(1,302,367)
Net current assets		<u>1,390,315</u>	<u>1,599,536</u>
Total assets less current liabilities		<u>7,661,560</u>	<u>8,898,528</u>
Net assets excluding pension liability		<u>7,661,560</u>	<u>8,898,528</u>
Defined benefit pension scheme liability	28	(459,000)	(1,474,000)
Total net assets		<u><u>7,202,560</u></u>	<u><u>7,424,528</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	6,451,197	7,614,191
Restricted income funds	19	-	294,568
Restricted funds excluding pension liability	19	<u>6,451,197</u>	<u>7,908,759</u>
Pension reserve	19	(459,000)	(1,474,000)
Total restricted funds	19	<u>5,992,197</u>	<u>6,434,759</u>
Unrestricted income funds	19	<u>1,210,363</u>	<u>989,769</u>
Total funds		<u><u>7,202,560</u></u>	<u><u>7,424,528</u></u>

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

ACADEMY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

The financial statements on pages 35 to 76 were approved by the Trustees, and authorised for issue on 07 December 2023 and are signed on their behalf, by:



R Willoughby
(Chair of Trustees)

The notes on pages 42 to 76 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	21	438,749	209,283
Cash flows from investing activities	23	(233,062)	160,713
Cash flows from financing activities	22	185,415	299,023
Change in cash and cash equivalents in the year		391,102	669,019
Cash and cash equivalents at the beginning of the year		1,454,314	785,295
Cash and cash equivalents at the end of the year	24, 25	1,845,416	1,454,314

The notes on pages 42 to 76 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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 2023 of £1,180,707, with £1,845,416 held of cash at this date. The Budget Forecast Return (BFR) submitted to the Education and Skills Funding Agency for the 2023/24 financial year forecasted a £386,000 revenue surplus. 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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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:

Freehold property	- Buildings 50 years / Land 125 years
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 has been granted use of the school buildings for Berry Pomeroy Parochial Church of England Primary School from the Duchy of Somerset under a Supplemental Agreement.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

2.11 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.

2.12 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.13 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.

2.14 Conversion to an academy trust

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

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.

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 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	2,347	294,424	-	296,771	286,323
Capital Grants	-	-	158,532	158,532	1,040,259
Transfer from local authority on conversion	185,415	(19,000)	-	166,415	-
	<u>187,762</u>	<u>275,424</u>	<u>158,532</u>	<u>621,718</u>	<u>1,326,582</u>
<i>Total 2022</i>	<u>41,064</u>	<u>245,259</u>	<u>1,040,259</u>	<u>1,326,582</u>	

Included in donations is £250,000 (2022: £220,833) 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Funding for the Academy's charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Education				
DfE/ESFA grants				
General annual grant	-	7,056,671	7,056,671	5,873,863
Other DfE/ESFA grants				
Pupil Premium	-	582,463	582,463	474,936
UIFSM	-	206,095	206,095	158,992
Supplementary grant	-	213,118	213,118	-
TCAF grant	-	-	-	306,500
Others	-	471,531	471,531	382,331
	-	8,529,878	8,529,878	7,196,622
Other Government grants				
Other government grants	-	225,481	225,481	39,488
High needs	-	419,536	419,536	356,678
	-	645,017	645,017	396,166
Other income from the Academy's education	203,581	-	203,581	191,181
	203,581	9,174,895	9,378,476	7,783,969
	203,581	9,174,895	9,378,476	7,783,969
Total 2022	191,181	7,592,788	7,783,969	

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6. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Lettings	4,464	-	4,464	2,913
Other trading income	2,195	-	2,195	1,753
Consultancy	-	155,796	155,796	113,373
Fees received	135,288	-	135,288	103,193
Income from ancillary trading activities	282,185	-	282,185	231,824
	<u>424,132</u>	<u>155,796</u>	<u>579,928</u>	<u>453,056</u>
<i>Total 2022</i>	<u><u>339,683</u></u>	<u><u>113,373</u></u>	<u><u>453,056</u></u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Bank interest	287	287	114
<i>Total 2022</i>	<u>114</u>	<u>114</u>	

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	<i>Total 2022 £</i>
Expenditure on fundraising trading activities:					
Direct costs	244,480	-	115,295	359,775	357,526
Education:					
Direct costs	6,106,861	111,194	527,660	6,745,715	5,297,895
Allocated support costs	1,546,150	897,377	1,208,425	3,651,952	3,461,237
Other expenditure	-	-	1,256,651	1,256,651	787,944
	<u>7,897,491</u>	<u>1,008,571</u>	<u>3,108,031</u>	<u>12,014,093</u>	<u>9,904,602</u>
<i>Total 2022</i>	<u>6,795,815</u>	<u>834,971</u>	<u>2,273,816</u>	<u>9,904,602</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

9. Other expenditure

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Transfer of existing academy joining the Trust	-	-	-	787,944
Land and Building impairment charge	-	1,256,651	1,256,651	-
	<u>-</u>	<u>1,256,651</u>	<u>1,256,651</u>	<u>787,944</u>
<i>Total 2022</i>	<u>(226,511)</u>	<u>1,014,455</u>	<u>787,944</u>	

St Gabriel's C of E Primary School was professionally valued by Montagu Evans on 31 August 2021. The valuation revealed that the land and buildings were being held at an overstated amount on the fixed asset register. As a result an impairment charge of £1,256,651 has been recognised this year.

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Education	<u>6,745,715</u>	<u>3,651,952</u>	<u>10,397,667</u>	<u>8,759,132</u>
<i>Total 2022</i>	<u>5,297,895</u>	<u>3,461,237</u>	<u>8,759,132</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	5,983,205	5,983,205	4,626,901
Depreciation	195,798	195,798	158,718
Educational supplies	193,988	193,988	217,753
Staff development	110,220	110,220	99,035
Other costs	44,940	44,940	20,028
Supply teachers	123,656	123,656	47,416
Educational consultancy	68,819	68,819	-
Technology costs	25,089	25,089	128,044
	6,745,715	6,745,715	5,297,895
	6,745,715	6,745,715	5,297,895
<i>Total 2022</i>	<i>5,297,895</i>	<i>5,297,895</i>	
	<i>5,297,895</i>	<i>5,297,895</i>	

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FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	51,000	51,000	81,000
Staff costs	1,497,350	1,497,350	1,821,441
Depreciation	57,412	57,412	72,775
Other costs	-	-	2,673
Recruitment and other staff costs	48,647	48,647	52,581
Maintenance of premises and equipment	210,511	210,511	224,543
Cleaning	149,896	149,896	102,456
Rent and rates	282,995	282,995	293,184
Heat and light	221,371	221,371	94,648
Insurance	50,506	50,506	34,421
Security and transport	18,893	18,893	25,516
Catering	329,022	329,022	252,074
Technology costs	305,497	305,497	105,285
Office overheads	174,644	174,644	67,717
Legal and professional	246,875	246,875	224,672
Bank interest and charges	-	-	1,256
Governance costs	7,333	7,333	4,995
	<u>3,651,952</u>	<u>3,651,952</u>	<u>3,461,237</u>
<i>Total 2022</i>	<u>3,461,237</u>	<u>3,461,237</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	17,637	39,888
Depreciation of tangible fixed assets	253,211	231,494
Fees paid to auditors for:		
- audit	11,165	10,435
- other services	4,340	4,055
	<u>11,165</u>	<u>10,435</u>

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Wages and salaries	5,854,592	4,621,104	5,627,192	4,387,338
Social security costs	500,520	382,437	489,226	371,381
Pension costs	1,393,308	1,707,236	1,387,522	1,701,462
	<u>7,748,420</u>	<u>6,710,777</u>	<u>7,503,940</u>	<u>6,460,181</u>
Agency staff costs	123,656	47,416	123,656	47,416
Staff restructuring costs	25,415	37,622	25,415	37,622
	<u>7,897,491</u>	<u>6,795,815</u>	<u>7,653,011</u>	<u>6,545,219</u>

Staff restructuring costs comprise:

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Redundancy payments	12,080	-	12,080	-
Severance payments	13,335	37,622	13,335	37,622
	<u>25,415</u>	<u>37,622</u>	<u>25,415</u>	<u>37,622</u>

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12. Staff (continued)

b. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £6,218 (2022: £37,622). Individually, the payments were: £4,213 and £2,005.

c. Staff numbers

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

	Group 2023 No.	<i>Group 2022 No.</i>	Academy 2023 No.	<i>Academy 2022 No.</i>
Teachers	74	61	74	61
Administration and support	188	154	170	135
Management	8	9	8	9
	<u>270</u>	<u>224</u>	<u>252</u>	<u>205</u>

d. Higher paid staff

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

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	4	3
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>5</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 £239,258 (2022: £316,740). 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 £Nil (2022: £7,342).

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FOR THE YEAR ENDED 31 AUGUST 2023

13. Central services

The Group has provided the following central services 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 2023, this represented 6.5% of General Annual Grant income and direct charges for labour and non-labour costs (2022: 12.3% of General Annual Grant income and direct charges for labour and non-labour costs).

The actual amounts charged during the year were as follows:

	2023	2022
	£	£
Shaldon Primary School	141,685	153,952
St Gabriel's C of E Primary School	141,644	169,430
Galampton C of E Primary School	144,315	159,327
Collaton St Mary C of E Primary School	144,576	159,758
Totnes St John's C of E Primary School	103,022	118,223
Brixham C of E Primary School	143,930	165,597
Torre C of E Primary School	206,248	-
Berry Pomeroy Parochial C of E Primary School	63,203	-
Total	1,088,623	926,287

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14. Trustees' remuneration and expenses

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

		2023	2022
		£	£
C Weyman, CEO (resigned as Trustee 25 November 2022)	Remuneration	25,000 - 30,000	95,000 - 100,000
	Pension contributions paid	5,000 - 10,000	20,000 - 25,000

During the year ended 31 August 2023, expenses totalling £1,458 were reimbursed or paid directly to 4 Trustees (2022 - £588 to 3 Trustees). The nature of the expenses reimbursed was for mileage claims and course fees.

15. 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 2023 was £32,748, 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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16. Tangible fixed assets

Group and Academy

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2022	5,448,063	2,307,429	330,958	277,862	10,995	8,375,307
Additions	400,133	6,366	16,487	49,134	9,995	482,115
At 31 August 2023	<u>5,848,196</u>	<u>2,313,795</u>	<u>347,445</u>	<u>326,996</u>	<u>20,990</u>	<u>8,857,422</u>
Depreciation						
At 1 September 2022	452,453	237,828	184,478	191,392	10,164	1,076,315
Charge for the year	105,639	38,159	47,116	59,542	2,755	253,211
Impairment charge	1,256,651	-	-	-	-	1,256,651
At 31 August 2023	<u>1,814,743</u>	<u>275,987</u>	<u>231,594</u>	<u>250,934</u>	<u>12,919</u>	<u>2,586,177</u>
Net book value						
At 31 August 2023	<u>4,033,453</u>	<u>2,037,808</u>	<u>115,851</u>	<u>76,062</u>	<u>8,071</u>	<u>6,271,245</u>
At 31 August 2022	<u>4,995,610</u>	<u>2,069,601</u>	<u>146,480</u>	<u>86,470</u>	<u>831</u>	<u>7,298,992</u>

St Gabriel's C of E Primary School was professionally valued by Montagu Evans on 31 August 2021. The valuation revealed that the land and Buildings were being held at an overstated amount on the fixed asset register. As a result an impairment charge of £1,256,651 has been recognised this year.

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17. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Academy 2023 £	<i>Academy 2022 £</i>
Due within one year				
Trade debtors	19,544	24,038	18,912	22,985
Amounts owed by group undertakings	-	-	249,440	112,289
Prepayments and accrued income	238,643	1,115,654	237,248	1,114,313
Tax recoverable	70,315	258,468	70,315	258,468
	<u>328,502</u>	<u>1,398,160</u>	<u>575,915</u>	<u>1,508,055</u>

18. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Academy 2023 £	<i>Academy 2022 £</i>
Trade creditors	254,817	676,146	253,617	674,121
Other taxation and social security	122,549	99,927	120,470	98,066
Other creditors	145,662	160,128	144,339	159,063
Accruals and deferred income	300,231	372,677	298,611	371,117
	<u>823,259</u>	<u>1,308,878</u>	<u>817,037</u>	<u>1,302,367</u>

	Group 2023 £	<i>Group 2022 £</i>	Academy 2023 £	<i>Academy 2022 £</i>
Deferred income				
Deferred income at 1 September 2022	109,120	92,462	109,120	92,462
Resources deferred during the year	134,263	109,120	134,263	109,120
Amounts released from previous periods	(109,120)	(92,462)	(109,120)	(92,462)
	<u>134,263</u>	<u>109,120</u>	<u>134,263</u>	<u>109,120</u>

At the balance sheet date the academy trust was holding funds of £134,263 received in advance for UIFSM (£126,890) and early years (£7,373).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General funds	950,829	815,762	(585,884)	-	-	1,180,707
Restricted general funds						
General Annual Grant	78,796	7,056,671	(6,958,042)	(177,425)	-	-
High Needs	-	419,536	(419,536)	-	-	-
Diocese Land and Building Rent	-	250,000	(250,000)	-	-	-
Pupil Premium	-	582,463	(582,463)	-	-	-
UIFSM	-	206,095	(206,095)	-	-	-
Supplementary Grant	-	213,118	(213,118)	-	-	-
Other DfE/ESFA Grants	-	471,531	(471,531)	-	-	-
TCAF Grant	215,773	-	(215,773)	-	-	-
Other LA Grants	-	225,481	(225,481)	-	-	-
Other Restricted Income	-	200,220	(182,309)	(17,911)	-	-
Pension reserve	(1,474,000)	(19,000)	(194,000)	-	1,228,000	(459,000)
	<u>(1,179,431)</u>	<u>9,606,115</u>	<u>(9,918,348)</u>	<u>(195,336)</u>	<u>1,228,000</u>	<u>(459,000)</u>

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19. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Fixed assets transferred on conversion	5,665,530	-	(1,369,681)	-	-	4,295,849
Fixed assets purchased from GAG	132,439	-	(13,158)	177,425	-	296,706
DfE/ESFA Capital Grants	1,709,189	128,532	(77,700)	-	-	1,760,021
Other restricted funds	35,368	30,000	(37,271)	17,911	-	46,008
Fixed assets transferred on an existing academy joining the trust	54,664	-	(12,051)	-	-	42,613
	<u>7,597,190</u>	<u>158,532</u>	<u>(1,509,861)</u>	<u>195,336</u>	<u>-</u>	<u>6,441,197</u>
Total Restricted funds	<u>6,417,759</u>	<u>9,764,647</u>	<u>(11,428,209)</u>	<u>-</u>	<u>1,228,000</u>	<u>5,982,197</u>
Total funds	<u><u>7,368,588</u></u>	<u><u>10,580,409</u></u>	<u><u>(12,014,093)</u></u>	<u><u>-</u></u>	<u><u>1,228,000</u></u>	<u><u>7,162,904</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.

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.

Supplementary grant - Additional ESFA funding allocated to mainstream schools and academies to provide support for the costs of the Health and Social Care Levy and wider costs.

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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 recovery premium and national tutoring income.

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

Other LA grants - This represents other revenue grants from the LA.

Other restricted income - This represents other restricted income sources including donations and consultancy income

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 2023.

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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 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
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)	-	-	-
Supplementary Grant	47,953	382,331	(425,284)	(5,000)	-	-
Other DfE/ESFA Grants	-	306,500	(90,727)	-	-	215,773
TCAF Grant	-	152,861	(152,861)	-	-	-
Pension reserve	(4,491,000)	-	(1,969,000)	-	4,986,000	(1,474,000)
	<u>(4,439,645)</u>	<u>7,951,420</u>	<u>(9,629,843)</u>	<u>(47,363)</u>	<u>4,986,000</u>	<u>(1,179,431)</u>

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

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
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>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £	2022 £
The Academies for Character and Excellence	<u>1,180,707</u>	<u>1,245,398</u>
Restricted fixed asset fund	<u>6,441,197</u>	<u>7,597,190</u>
Pension reserve	<u>(459,000)</u>	<u>(1,474,000)</u>
Total	<u><u>7,162,904</u></u>	<u><u>7,368,588</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 2023 £	Total 2022 £
Shaldon Primary School	646,129	62,160	33,736	213,875	955,900	880,313
St Gabriel's Church of England Primary School	662,196	143,614	24,424	217,917	1,048,151	1,116,370
Central	314,546	473,269	1,657	1,072,027	1,861,499	1,601,386
Galampton Church of England Primary School	702,009	125,103	12,898	186,911	1,026,921	918,110
Collaton St Mary Church of England Primary School	696,133	143,074	24,599	230,607	1,094,413	996,681
Totnes St Johns	665,614	125,980	34,398	254,416	1,080,408	865,980
Brixham Church of England Primary School	743,680	138,668	16,966	191,810	1,091,124	942,156
Torre Church of England Primary School	1,247,398	163,566	29,730	277,359	1,718,053	704,169
Berry Pomeroy Parochial Church of England Primary School	305,500	27,716	15,580	87,967	436,763	-
Total	5,983,205	1,403,150	193,988	2,732,889	10,313,232	8,025,165

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	6,271,245	6,271,245
Current assets	2,003,966	-	169,952	2,173,918
Creditors due within one year	(823,259)	-	-	(823,259)
Provisions for liabilities and charges	-	(459,000)	-	(459,000)
Total	1,180,707	(459,000)	6,441,197	7,162,904

Analysis of net assets between funds - prior 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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of financial activities)	(1,433,684)	(340,881)
Adjustments for:		
Schools joining the trust	(166,415)	787,944
Depreciation	253,211	231,494
Capital grants from DfE and other capital income	(158,532)	(1,040,257)
Interest receivable	(287)	(114)
Defined benefit pension scheme cost less contributions payable	143,000	779,000
Defined benefit pension scheme finance cost	51,000	81,000
Decrease/(increase) in debtors	478,239	(517,716)
Increase in creditors	15,566	228,813
Impairment charge	1,256,651	-
Net cash provided by operating activities	438,749	209,283

22. Cash transferred on conversion to an academy trust

	Group 2023 £	Group 2022 £
Cash on conversion	185,415	299,023
Net cash provided by financing activities	185,415	299,023

23. Cash flows from investing activities

	Group 2023 £	Group 2022 £
Dividends, interest and rents from investments	287	114
Purchase of tangible fixed assets	(983,300)	(288,239)
Capital grants from DfE Group	749,951	448,838
Net cash (used in)/provided by investing activities	(233,062)	160,713

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24. Analysis of cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>
Cash in hand and at bank	1,845,416	<i>1,454,314</i>
Total cash and cash equivalents	1,845,416	<i>1,454,314</i>

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,454,314	391,102	1,845,416
	1,454,314	391,102	1,845,416

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26. Conversion to an Academy Trust

On 1 October 2022 Berry Pomeroy Parochial Church of England Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Academies for Character and Excellence from Devon County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Consolidated balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Consolidated Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

	Unrestricted funds £	Restricted funds £	Total funds £
Current assets			
Cash - representing budget surplus on LA funds	185,415	-	185,415
Non-current liabilities			
LGPS pension surplus/(deficit)	-	(19,000)	(19,000)
Net assets/(liabilities)	<u>185,415</u>	<u>(19,000)</u>	<u>166,415</u>

27. Capital commitments

	Group 2023 £	Group 2022 £	Academy 2023 £	Academy 2022 £
Contracted for but not provided in these financial statements	-	254,078	-	254,078
	<u>-</u>	<u>254,078</u>	<u>-</u>	<u>254,078</u>

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NOTES TO THE FINANCIAL STATEMENTS
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28. 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 2022.

Contributions amounting to £144,263 were payable to the schemes at 31 August 2023 (2022 - £113,242) 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 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office of Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £692,679 (2022 - £562,930).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2013/10/valuation-result.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.

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28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £702,000 (2022 - £471,000), of which employer's contributions totalled £551,000 (2022 - £363,000) and employees' contributions totalled £ 151,000 (2022 - £108,000). 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 26 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 and on 21 July 2022, the Department of Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.95
Rate of increase for pensions in payment/inflation	2.90	2.95
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.95

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

	2023	2022
	Years	Years
<i>Retiring today</i>		
Males	21.4	21.7
Females	22.6	22.9
<i>Retiring in 20 years</i>		
Males	22.7	23.0
Females	24.0	24.3

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28. Pension commitments (continued)

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(117)	(153)
Discount rate -0.1%	121	157
Mortality assumption - 1 year increase	157	172
Mortality assumption - 1 year decrease	(153)	(168)
CPI rate +0.1%	119	151
CPI rate -0.1%	(116)	(147)

Share of scheme assets

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

	At 31 August 2023	At 31 August 2022
	£	£
Equities	2,965,000	2,450,000
Other bonds	1,211,000	918,000
Property and infrastructure	977,000	803,000
Cash	74,000	66,000
Target return portfolio and alternative assets	337,000	384,000
Total market value of assets	5,564,000	4,621,000

The actual return on scheme assets was £181,000 (2022 - £-147,000).

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

	2023	2022
	£	£
Current service cost	(710,000)	(1,140,000)
Interest income	214,000	64,000
Interest cost	(265,000)	(145,000)
Administrative expenses	(3,000)	(2,000)
Total amount recognised in the Consolidated statement of financial activities	(764,000)	(1,223,000)

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

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

	2023 £	2022 £
At 1 September	6,095,000	7,586,000
Conversion of academy trusts	60,000	2,360,000
Current service cost	691,000	1,140,000
Interest cost	265,000	145,000
Employee contributions	151,000	108,000
Actuarial gains	(1,261,000)	(5,197,000)
Benefits paid	22,000	(47,000)
	<u>6,023,000</u>	<u>6,095,000</u>

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

	2023 £	2022 £
At 1 September	4,621,000	3,095,000
Conversion of academy trusts	41,000	1,251,000
Interest income	214,000	64,000
Actuarial losses	(33,000)	(211,000)
Employer contributions	551,000	363,000
Employee contributions	151,000	108,000
Benefits paid	22,000	(47,000)
Administration expenses	(3,000)	(2,000)
	<u>5,564,000</u>	<u>4,621,000</u>

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29. Operating lease commitments

At 31 August 2023 the Group and the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	<i>Group</i> <i>2022</i> £	Academy 2023 £	<i>Academy</i> <i>2022</i> £
Not later than 1 year	14,791	17,637	14,791	17,637
Later than 1 year and not later than 5 years	22,796	20,275	22,796	20,275
	37,587	37,912	37,587	37,912

30. Members' liability

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

31. 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 14.

32. Post balance sheet events

On 1 October 2023 Newtown Primary School joined the Trust.

On 1 December 2023 Castle Cary Community Primary School and Trinity Church of England Voluntary Aided Primary and Nursery School joined the Trust.