

Royal Deaf Education Trust

England & Wales · Charity number 1124523

Details

Other names	EXETER ROYAL ACADEMY FOR DEAF EDUCATION, the Deaf Academy
Status	Registered
Legal form	Charitable company
Company number	06585703
Registered	2008-06-16
Register	View on the Charity Commission register

Contact

Address	The Deaf Academy 1 Douglas Avenue Exmouth EX8 2AU
Phone	01395 203130
Email	info@thedeafacademy.ac.uk
Website	www.thedeafacademy.ac.uk

Activities

Objects: THE COMPANY'S OBJECTS ARE:-3.1. TO PROVIDE EDUCATION, TRAINING, CARE, ACCOMMODATION, LEISURE OPPORTUNITIES, WELFARE AND OTHER SUPPORT SERVICES TO DEAF PEOPLE AND PEOPLE WHO ARE NOT DEAF BUT WHO, DUE TO SOME OTHER DISABILITY, WOULD BENEFIT FROM THE SAME (PRINCIPALLY THOUGH NOT EXCLUSIVELY FROM THE COUNTIES OF DEVON, CORNWALL, SOMERSET AND DORSET) WITH THE OBJECT OF DEVELOPING THEIR PERSONAL, MENTAL, PHYSICAL AND SPIRITUAL CAPACITIES SO THAT THEY MAY REALISE THEIR FULL POTENTIAL AS INDIVIDUALS AND MEMBERS OF THEIR COMMUNITIES AND SOCIETY AS A WHOLE AND SO THAT THEIR CONDITION OF LIFE MAY BE IMPROVED; AND 3.2. TO EDUCATE THE GENERAL PUBLIC IN THE NEEDS AND CAPABILITIES OF DEAF PEOPLE WITH A VIEW TO ACHIEVING GREATER INTEGRATION BETWEEN DEAF AND HEARING COMMUNITIES.

Activities: The operation of a School which educates students aged 5 to 16 years and a Further Education College providing post 16 education. Both the School and College offer residential and day placements to deaf young people. The Charity also operates a Children's Home for deaf young people.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Disability
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** THE COUNTIES OF DEVON, CORNWALL, SOMERSET AND DORSET
- Devon

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£9,019,345	£9,133,100	£17,091,027	190
2024-08-31	£7,883,181	£7,673,741	£17,254,326	166
2023-08-31	£6,503,339	£6,257,133	£16,828,481	127
2022-08-31	£5,825,766	£5,456,478	£15,179,513	122
2021-08-31	£5,459,542	£5,244,453	£6,109,834	119

Trustees

Name	Role	Appointed
Dame Angela Mary Pedder	Chair	2020-06-11
Anthony David Collyer		2020-07-03
Anthony Kenneth Alexander		2018-06-18
DAVID BALFOUR ROBERTSON		2020-11-05
Dr Madeleine Heather Collie		2023-10-19
Jennifer Mary Stephens MBE		2023-05-04
Rhodri Giles Davey		2017-10-05
Robert Harold Spencer		2020-11-05
Sara Jane Papworth		2023-02-09

Royal Deaf Education Trust

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Accounts



Annual report and financial statements

For the period 1st September 2024 - 31st August 2025

Exeter Royal Academy for Deaf Education

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Exeter Royal Academy for Deaf Education

Reference and Administrative Details

Trustees (Directors)

Mr A Alexander

Dr M Collie

Mr A Collyer, Honorary Treasurer

Mr R Davey

Mr J Dewhirst (resigned 11 December 2025)

Mrs S Papworth

Dame A Pedder DBE, Chair

Mr D Robertson, Vice Chair

Mr R Spencer

Ms J Stephens MBE

Company Secretary

Mrs C Quick

Key Management Personnel

Mr S Dewing, Principal & Chief Executive Officer (CEO)

Mrs C Quick, Chief Financial Officer

Principal and Registered Office

The Deaf Academy

1 Douglas Avenue

Exmouth

EX8 2AU

Company Registration Number

06585703

Registered Charity Number

1124523

Exeter Royal Academy for Deaf Education

Reference and Administrative Details

Independent Auditors

PKF Francis Clark
Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Bankers

National Westminster Bank Plc
59 High Street
Exeter
Devon
EX4 3DP

Charities Aid Foundation (CAF Bank)
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2025. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Charity, Exeter Royal Academy for Deaf Education, operates a non-maintained, residential special school and an independent specialist college for students aged 5 to 25 years (the Deaf Academy). Students are placed at the Deaf Academy by local authorities in England, Scotland and Wales. The Charity also operates a Children's Home for Deaf young people (Rolle House).

Introduction: Sylvan Dewing, Principal and CEO

Over the past academic year, the Deaf Academy and wider Charity have continued to strengthen the quality and impact of our education, care and support for Deaf young people with additional and complex needs. Overall the quality of our provision remains at a high standard with School and College provision remaining Ofsted GOOD rated, Residential Care retaining their GOOD grading at inspection. However, our Children's Home had a more challenging year receiving a Requires Improvement grade from Ofsted. Fearnside House has continued to operate successfully and at full capacity in 2025/26, supporting young adults towards greater independence.

This year also saw national recognition through the National Association of Specialist Colleges (Natspec) Award for Innovation in Student Voice. In addition, the Deaf Academy was awarded an Area of Excellence by Challenge Partners for the second year in a row and for the second-year running the Deaf Academy retained our Eco Schools Green Flag Award.

There has been continued progress in curriculum development, therapeutic provision and student outcomes. The achievements of our students - within the Deaf Academy, in local businesses, in community events and in national forums are a testament to the dedication of our staff and the generosity of those who champion our mission.

We wish to acknowledge the passing of two well loved and respected members of our college team Deb Thomas and Tracey Lawlor in August of 2025. Both members of staff had worked at the Charity for a number of years and made an incredible contribution to the Deaf Academy community and supporting students.

Over the past academic year, we have made significant structural changes in redefining, recategorising and reorganising our education, care and therapeutic provision. This has enabled us to restructure the admission process and fees model which have been implemented across the Charity. In addition, we have made progress in the move to digitisation of systems through the introduction of a new Student Management Information System and a new HR system.

Our workforce remains central to this success. Recruitment has continued to improve, staff have benefited from expanded Continuing Professional Development (CPD) and British Sign Language (BSL) training opportunities, and the completed Pay Review has helped ensure our roles remain competitive and appropriately benchmarked. Staff survey results are overwhelming positive in which 96% of staff reported that they enjoy working at the Charity and 97% would recommend it as a great place to work. This reflects a highly positive culture, with strong levels of pride, teamwork and commitment across the organisation. We are also grateful for the continued support of our families, volunteers, donors, partners and wider community, whose contributions have enabled improvements to facilities, resources and the student experience.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

As we look ahead, we do so mindful of the wider political and financial challenges facing the Special Educational Needs and Disabilities (SEND) sector. Local Authority high needs pressures, national reforms and increasing complexity of students needs continue to shape the environment in which we operate. As we prepare for our Bicentenary year in 2026, we remain firmly focused on advocating for Deaf young people and delivering a high quality, specialist provision that reflects our charitable purpose and long term strategic vision.

We would like to extend our sincere thanks to all Trustees and Governors for their continued commitment, guidance and contribution throughout the year. Their time, expertise and support have been greatly appreciated and have helped us to continue the Charity's work.

Strategic Report

Achievements and performance

The 2023-2028 strategic plan includes the following strategic priorities:

1. Redesigning our provision to better meet the changing needs of our students
2. Securing and maintaining high quality in all aspects of our provision
3. Becoming a research and professional development and training hub for professionals working for Deaf children with additional and complex needs
4. Maintaining a financial surplus, reinvesting in our staff, facilities and resources
5. Creating significant impact regionally and locally via the promotion of our wider Charity objectives (raising awareness/promotion, tackling discrimination, campaigning)
6. Ensuring the Charity is a great place to work

The Charity has continued to make good progress towards meeting its strategic priorities during 2024/25.

Priorities 1&2: Redesigning provision and improving and maintaining quality

In September 2024 the Deaf Academy started the academic year with seventy-seven students on roll, an increase of ten students from September 2023. Numbers remained fairly static over the year, with seventy seven students on roll in July 2025. Student numbers remain at a similar level for 2025/26.

School has been focused on developing and refining the Academy's bespoke Deaf/SEND curriculum. A progressive series of 'I Can' statements is being developed for the four core foundation curriculum areas (Literacy, Maths, BSL and Communication and Personal, Social, Health and Economic (PSHE) to support assessments and tracking.

The change of curriculum and adapted teaching approaches has led to Year 11 students transitioning to College with a suite of qualifications, including qualifications ranging between entry level 1 and functional skills level 1 in English, Maths and BSL. In addition, students have achieved several AQA unit awards linked to their wider learning within learning projects.

College has developed a new curriculum model to reflect the Charity's commitment to supporting students' communication needs, academic ambitions and the development of the Preparation for Adulthood framework. Alongside School, College is also working towards a revamped assessment system with 'I Can' statements to describe student progress.

College has launched the Deaf Academy's Supported Internship programme with five applications submitted to the Department of Work and Pensions and local employers expressing interest in taking on internship students, supported by job coaches with high levels of BSL.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

Partnerships with Exeter College and Bicton College have enabled students to complete Level 1,2 and 3 courses in diverse areas, such as photography, hairdressing and carpentry. The work with Exeter College and Bicton College is supported by Communication Support Workers and is enabling students to work towards future employment in their chosen fields. Two of our students were named as 'Student of the Year' on their respective courses which is an exceptional achievement for a college of our size. We were equally delighted when one of these student's support dog won 'support dog of the year'!

Students studying for formal qualifications in their core subjects of English, Maths and BSL are progressing well and are on track to achieve their assigned qualifications. Students on the semi-formal pathway are completing their Life for Living OCR qualification and have had opportunities to participate in the local community. Students have been able to complete a Sailability Qualification with Exmouth Sailing Club and have visited Dawlish Garden Trust, Exmouth Leisure Centre and been on Beach Cleans with the local Lions Club.

The Charity is very proud that students were awarded the Natspec Award for Innovation in Student Voice and the inaugural Natspec Kathryn Rudd Award for Innovation for their work on the Puffin Road Crossing project.

Residential Care maintained a Good Ofsted rating in January 2025, reflecting the hard work of the team over the last year. The report stated that 'the adults who support them are very committed and enthusiastic about a caring and supportive environment so the children can really thrive.' 31 students were residential in 2024/25 including respite care, which is a similar level of occupancy to the previous year. Residential Care is also now a registered provision with the Care Quality Commission (CQC) following a successful visit in December 2024.

Fearnside House has continued to thrive with nine rooms occupied in 2024/25 and is at full capacity in 2025/26 with ten students in residence. The focus is promoting independence and developing essential life skills with the overarching aim of preparing students for life beyond Fearnside House, with the goal of living independently or with minimal support. With this in mind students are encouraged to be involved in developing communal rules for Fearnside House and in adapting the facilities to suit their needs. Students have negotiated and agreed to rules relating to visitors and submitted a successful grant application to Active Devon for funding for equipment to convert the garage into a gym. Students chose the gym equipment and were supported to install it themselves.

Alongside Residential Care, Fearnside House is now a registered provision with the CQC and expects the first inspection in 2025/26.

Rolle House has faced significant challenges in 2024/25, the behaviour of one young person resulted in levels of behaviour incidents which challenged the team's resilience. During the summer term the number of placements reduced from three to two and a deficit is budgeted for 2025/26. In April 2025 Rolle House received an Ofsted grading of 'Requires Improvement'. It was subsequently agreed Rolle House could not meet the needs of one young person and an alternative placement was arranged. The Rolle House team created a compliance and action plan and are supported by external professionals and by the Charity's Welfare team to implement the changes required.

Redesigning our approach to therapeutic support, the Therapies team have developed a five-week universal rotation block approach to embed therapies into the students' everyday curriculum. Delivered by the occupational therapist, speech and language and neurodiversity teams, this initiative allowed every student to receive input from these teams and for this to be embedded into their curriculum. The Therapies team continued to deliver 1:1 and small groups intervention work with students, in addition to the universal offer, where a need was identified.

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Trustees' Report for the Year Ended 31 August 2025

The Exeter Southernhay and Topsham Rotary Club raised funds to buy seven Woojer haptic vibration vests. The Woojer vests enhance audio experiences by providing tactile feedback or vibrations that correspond to the sounds being played and are beneficial for both students with no access to sound and those with some access. Students also have early access to a virtual reality (VR) app, which is being developed to support listening and virtual reality headsets have been purchased to support this. VR creates immersive environments that allow students to explore subjects in a deeper more engaging manner, from virtual field trips to complex simulations. A visitor to the Deaf Academy donated two more headsets and vouchers for additional Apps, having seen them in action. Students use the VR headsets to promote relaxation, alleviate anxiety and improve fitness, play co-operation games and experience the wider world in 3D.

The medical team have been supporting health promotion to the students with a focus on healthy eating. Students have been encouraged to plant seeds and care for their plants before being encouraged to cook and try the vegetables that they've grown.

Priority 3: Becoming a research and professional development and training hub for professionals working for Deaf children with additional and complex needs

The Principal and CEO remains the elected Chair of Natspec for the South West. We also delivered a workshop at the national conference on how to work positively with local communities.

The Principal set up the first UK Deaf Head and Principals group which has sixteen members and meets termly to discuss challenges and opportunities for the Deaf Education Sector.

We hosted the national British Association of Teachers of the Deaf (BATOD) and British Association of Educational Audiologists (BAEA) conference which is the national conference for Teachers of the Deaf and Audiologists.

Priority 4: Maintaining a Financial surplus. Reinvesting in our staff, facilities and resources

A deficit of £163k for the Charity is reported for 2024/25. This is the first deficit since the move to the Exmouth site. The financial pressure on local authorities' high needs budget and increased costs is impacting the financial position.

During 2024/25 a fees review was undertaken. The fees review represents a fundamental re-structure of the charging model. The fees charged to Local Authorities need to fairly represent what is being provided and it is not sustainable for the Charity to continue to subsidise fee levels. The new fees model is closely linked to the new bespoke curriculum and will better enable the Charity to demonstrate the resources and provision for students according to their education, care and therapy support levels.

We achieved positive cash generation, made continued investment in capital and have structured long-term finance with CAF bank. An additional classroom was created in School, updates to the fleet, investment in improved online meeting facilities which will also support student annual review meetings and, with the support of donations and Devon County Council, installed a new pedestrian road crossing outside the Academy.

The Charity invested in its staff through the pay review and the CPD budget.

Encouraged by the School's Eco-Committee the Charity continues to consider its environmental impact, and work is continuing on a Net Zero action plan, supported by Let's Go Zero. Food recycling bins are available across all three sites and the gas and electric contracts for the main site have been switched to renewable energy suppliers.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

Priority 5: Creating significant impact regionally and locally via the promotion of our wider charitable objectives

The Charity has continued to strengthen its regional and national profile through a wide range of partnerships, professional contributions and community engagement. A developing collaboration with the Northcott Theatre will support the Bicentenary celebrations and promote greater accessibility to the arts through BSL-led performances.

Our Family Sign Language weekends have grown in impact, with our Social, Emotional and Mental Health (SEMH) practitioner sharing expertise at major sector events including the Association of British Sign Language Teachers and Assessors conference in Manchester, a Department for Education (DfE) event at the Frank Barnes School in London, and the International Congress on the Education of the Deaf in Rome. We were also proud to host the national BATOD and BAEA conference in March 2025, bringing together professionals from across the UK to showcase innovation in Deaf education, technology and inclusion.

Work with the British Deaf Association has supported the creation of additional Family Sign Language resources, while Post-19 students contributed to national Deaf awareness campaigns through a police training video for the Blue Light services. A new partnership with the RNLI is helping to increase Deaf awareness among lifeguards and provide water-safety workshops for students. Community connections have continued to flourish, from sponsoring the Devon Deaf Rugby Team to hosting stands at the Devon County Show, City Lit Deaf Day, Pride events in Exeter and Exmouth, and the Exmouth Festival. Students were also invited to perform signed singing on the BBC stage, and the organisation featured in Exeter Living Magazine ahead of the 200th anniversary celebrations.

We were delighted to see former Chair of Trustees, Peter Burroughs, awarded an MBE for services to education, and our Chief Financial Officer invited to speak at the Charity Finance Group Annual Conference on innovative approaches to risk. The organisation continues to play an active role in national sector bodies, with the Principal and CEO serving as South West Regional Chair and a member of the Natspec Board of Directors, and ongoing involvement with the National Association of Special Schools (NASS) to influence improvements across the SEND sector.

Priority 6: Ensuring the Charity is a great place to work

The Charity continues to see good progress in staff recruitment (increase of 40% in staff numbers since 2020). During the year 46 new staff were recruited from successful recruitment campaigns. The Staff Survey was very positive with 96% of staff reporting they enjoy working at the Academy and 97% would recommend it as a good place to work. 98% report good teamwork with colleagues and 97% agree the Academy fosters an inclusive environment.

Work has continued on the workforce development plan and we continue to invest in staff skills through the CPD and induction programme and over 90 staff received BSL training from the in-house BSL team. A Middle Leadership Development programme is being launched in 2026. The first staff wellbeing day was held in January 2025 and following its success was repeated in January 2026.

This year we were awarded the Silver Award for Medium/Large Business of the Year by Exmouth Chamber of Commerce.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

Plans for the Future

The Charity began a review of the Charity name and objects in 2024/25 to ensure they remain appropriate and fit for purpose. This was done in conjunction with staff, students, Governors, Trustees and the wider deaf community. A new name and revised objects will be introduced in 2026. A governance review will also take place in 2026 to review the governance structure, processes and reporting.

The Charity will continue its digitalisation programme, including launching a new, modern website designed to be more streamlined, user-friendly and up-to-date, introducing an electronic medication administration system, and implementing a replacement finance system. In addition, an AI Working Group will be established to explore the efficiencies and benefits that artificial intelligence can bring.

A new Virtual Tour of the Deaf Academy will be launched, showcasing our multi-modal communication approach and providing an immersive experience of both the Academy's facilities and key locations in Exmouth that our students regularly access.

The growing number of work placements for College students has increased demand on the Academy's transport fleet. The Charity is therefore delighted to receive a donated mini-bus from Switch, which will not only ease this pressure but also enable even more student trips and visits in the future.

The Charity plans to progress its £60,000 fundraising campaign to transform an outdoor space into an inclusive sensory play area that better supports the physical, social and emotional needs of Deaf students with complex additional needs.

The Charity will continue progressing its long-term plans for Mount Radford Lawn, following positive early engagement with Exeter City Council on the recent Pre-Planning Application. Over the last two years, the Board of Trustees has explored opportunities to develop the site into a multi-use space aligned with our charitable objectives, focusing on recreation, leisure, nature, biodiversity, partnership and community. Following the 2025 feasibility study, the Board has commissioned initial preparation of a full planning application and an evaluation of funding opportunities and the wider business model for delivering the proposed facilities. A decision on whether to move forward with the full proposal is expected in during 2026.

Bicentenary Celebrations

The Charity was founded in 1826 and in 2026 will celebrate its 200th anniversary as the oldest Deaf school in the England. We are planning a year of special events and activities to celebrate this incredible milestone. The Bicentenary isn't just about celebrating our past – it's about building a future where every Deaf young person has the opportunity to thrive. We have launched a Bicentenary fundraising appeal to:

- Champion Deaf culture and heritage
- Raise awareness and promote inclusion
- Support our educational and charitable mission

This incredible moment will be marked by Deaf led and deaf focused events and aims to create a lasting legacy.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

Objectives and activities

Objects and aims

The Charity's objects, which were revised with the permission of the Charity Commission in 2008, are as follows:

- to provide education, training, care, accommodation, leisure opportunities, welfare and other support services to deaf people and people who are not deaf but who, due to some other disability, would benefit from the same (principally though not exclusively from the counties of Devon, Cornwall, Somerset and Dorset) with the object of developing their personal, mental, physical and spiritual capacities so that they may realise their full potential as individuals and members of their communities and society as a whole and so that their condition of life may be improved; and
- to educate the general public in the needs and capabilities of deaf people with a view to achieving greater integration between deaf and hearing communities.

Objectives, strategies and activities

Our vision is to be an outstanding provider of Education, Support and Care for Deaf young people with additional and complex needs and a centre of excellence for Education, Care and Support for Deaf young people with additional and complex needs, including research, sharing best practice, and providing information to the wider Deaf/Special Needs (SEN) sector. We will be a champion in promoting and celebrating the diversity of the Deaf cultural and linguistic community in all its forms and tackling discrimination where it occurs.

Our mission is to nurture and grow Deaf young people with a real sense of belonging who are confident, resilient, and independent, supporting their development of robust behaviours, knowledge and skills to live happily in the wider world. This informs everything across Education, Care, Support and the whole Academy. We embrace the diversity of both our young people's communication needs and special educational needs and support them on a journey towards a strong sense of self and a clear personal identity.

We provide the following services:

- The Deaf Academy
 - o School 9-16 Middle and Upper school (Ofsted registered, Non-maintained Special School status)
 - o College (sixth form) 16-18 (Ofsted registered, Non-maintained Special School status)
 - o College (adult) 19-25 (Ofsted registered, Specialist Independent Provider status)
 - o Residential Care 37 beds (Ofsted registered – up to age 18. CQC registered over 18's)
- Fearnside House - 10 bed adult residential care (CQC Registered) and preparation for adulthood learning centre, Bradbury Learning Centre. Opened September 2023.
- Rolle House - Ofsted registered Children's Home for up to four young people

The Deaf Academy, Fearnside House and Rolle House are unique provisions in the UK, offering a specialist curriculum, teaching, support and residential care to Deaf young people, the majority of whom have accompanying additional or complex needs. This is a fantastic place for young people to learn, develop and be part of a diverse Deaf multilingual community. Our aim is to develop empowered, confident young people who are equipped to embark into adulthood with aspiration, skills and resilience.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

We encourage our young people to explore their passions and develop a strong Deaf identity, while also supporting them to achieve educationally. We offer a bi-lingual and multi-modal environment, where our students learn both BSL and English and use Augmented and Alternative Communication (AAC) strategies and devices, depending on their needs.

Public benefit

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The Charity provides specialist Deaf education which benefits the students who attend the Academy's School & College. Admission to the School & College is open to any student for whom the specialist education has been professionally assessed as appropriate to meet their needs. Fees are charged to allow costs to be recovered, these are usually funded by local authorities and the Education and Skills Funding Agency. Local Authorities benefit as the Charity enables them to meet their statutory responsibilities to educate children with hearing impairment. The families of the Academy's students also benefit from the support given to them and from the greater wellbeing and achievement of their children.

The wider community benefits because many of the Academy's students participate in work-placements and other events in the community, raising awareness of deafness.

Since moving to Exmouth in 2020 the Charity has sought to establish strong links with the local community and to encourage Deaf awareness.

Family Sign sessions (funded by WK Hutchings Trust) have proved popular and, in response to requests from the community, the intention is to provide more BSL lessons for the public. College students have been involved in providing Deaf Awareness and basic BSL training to local businesses and groups, including the Met Office, NHS and Police.

Staff and students have supported local events including Exmouth Pride, the Exmouth Movie Festival, the Exmouth Festival and the Devon County Show, providing information and signposting for Deaf awareness and BSL to the public. The Charity worked with the Devon County Show to continue to improve accessibility at the show in 2025.

The Puffin Crossing Appeal raised £30,000, including match funding through a legacy donation, towards the installation of a pedestrian road crossing on Douglas Avenue, outside the Academy. The crossing came into operation in the Autumn 2024 and has benefited students, staff and local community. The Charity won the Natspec Innovation Award 2025 for Innovation in Student Voice and the inaugural Natspec Kathryn Rudd Award for Innovation for their work on the Puffin Crossing, recognising the students' campaign to persuade the Local Authority to approve the crossing and for generating support for the fundraising appeal.

The Charity has also supported national events including hosting the BATOD and BAEA conference.

The Charity is committed to the greater integration of Deaf and hearing communities and seeks to raise awareness of Deafness and promote the capabilities of Deaf people through publicity, partnership working, fundraising and similar activities.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

Structure, governance and management

Constitution

The Charity is a company limited by guarantee and is a registered charity. The charitable company's memorandum and articles of association are the primary governing documents of the Charity. The company registration number is 06585703, and the charity number is 1124523.

Under the provision of Section 30 of the Companies Act 2006, the company is entitled to omit the word "Limited" from its name.

The Trustees of Exeter Royal Academy for Deaf Education are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

The company is limited by guarantee and has no share capital. In the event of a winding up the liability of the members is limited to £1 each.

Trustees and Governing Body

The Charity has a Board of Trustees which meets at least four times a year. The Trustees are responsible for the governance of the Charity as a whole, with governance for specific areas delegated to Governing Bodies and Committees as set out in the Charity's Articles and Scheme of Delegation.

The governance of the Deaf Academy is delegated to a Governing Body which meets at least three times a year and carries out a series of Learning Walks and visits. The Governing Body is chaired by a Trustee and membership comprises two additional Trustees, the Principal (ex officio Governor), two staff Governors and eight Co-opted Governors. Two new Co-opted Governors were recruited during the year.

The governance of Rolle House is delegated to the Children's Home Governing Body which meets at least three times a year. The Children's Home Governing Body is chaired by a Trustee and the membership includes two additional Trustees.

The governance of Fearnside House is retained by the Board of Trustees. Detailed review and oversight of Fearnside House is delegated to a management committee. The Fearnside House Management Committee is chaired by a Trustee and the membership includes an additional Trustee and a Governor.

Method of recruitment and appointment or election of Trustees

The Trustees regularly review the composition of the Board, the Governing Body, the Children's Home Governing Body and its various committees, sub-committees and working groups. The Trustees look at the blend of experience and skills of all Governors and Trustees to ensure that these meet the needs of the Charity. Where vacancies arise, a formal recruitment process is undertaken. This involves advertising both locally and nationally as well as more informal approaches to individuals who have the relevant skills and experience. Selection is made after a rigorous process including visits to the Charity and interviews by senior staff and Trustees and Governors. Induction is provided to all Trustees and Governors and an induction and training programme is organised by the Governance Officer. Governors and Trustees are expected to visit regularly.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

The Trustees and Governors undertake skill audits and self-evaluations on a regular basis to understand and support board performance. This enables the Charity to identify training and development needs and to provide opportunities to address them in addition to providing guidance to support the recruitment and selection of new Trustees and Governors.

Organisational structure

During the year the Charity has operated within its articles of association and supporting governance and committee structure to ensure it continues to have an effective governance framework in place.

All elements of the Charity's operations are conducted under the leadership of the Principal and CEO, supported by the Senior Leadership Team. The Senior Leadership Team consists of the Principal and CEO, the Chief Financial Officer, the Assistant Principal School, the Assistant Principal College and the Assistant Principal Care.

Details of the key management personnel are shown on page 1.

The Trustees are responsible for determining and reviewing the pay and remuneration for members of the Senior Leadership Team.

During 2023/24 the Charity began a pay review, supported by an external agency. The pay review identified job roles and included a benchmarking exercise to identify the appropriate pay levels based on comparable roles in the Charity and Education sectors. As part of the process a framework was developed which will be used as the basis for pay reviews in subsequent years.

The Pay Review for the Senior Leadership Team, the Middle Leadership Team and all other staff roles was completed during the first term of 2024/25.

Risk management

The Trustees are responsible for the identification and management of risks affecting the Charity and have undertaken regular reviews of the risks associated with its activities. The budget process ensures that key risks are considered and resources allocated in response to these risks. The key controls used by the Charity include:

- Formal agendas for all Trustees, Governing Bodies and Committee and Sub-committee meetings
- Detailed terms of reference for all committee meetings
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies with a clear review cycle
- Clear authorisation and approval levels
- Stringent safeguarding arrangements to protect the beneficiaries of the Charity
- Monitoring of key performance indicators

The Trustees and senior leaders regularly evaluate risk, focusing on the major aspects of operational, financial, governance, compliance and reputational risks. The work has given rise to steps and procedures to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

The principal risks and uncertainties, together with a summary of how they are managed are set out below:

- **National SEND, Alternative Provision and Local Authority high needs overspend. Reduction in student recruitment and retention.**

This risk recognises the potential impacts of Deaf young people being placed in inappropriate provision and pressure on fee income levels and placements due to government SEND reform and pressures on Local Authorities spending.

Student numbers and retention is a key part of the strategic plan and is monitored by the Senior Leadership team and the Finance and Resources Committee with regular detailed reviews by the Admissions group. Partnership work remains important and is being developed. An experienced marketing officer has been recruited to provide further capacity and expertise.

The Charity is regularly monitoring the position and in regular dialogue with Local Authorities, in particular with Devon County Council Commissioning and SEND teams and local councillors. We have staff skilled at Tribunal representation. The Charity completed a Fees Review in 2024/25 and implemented on a phased basis in 2025/26.

The Charity is a member of the National Association of Special Schools (NASS) and the National Association of Specialist Colleges (Natspec). Both organisations lobby government for better funding and provision for SEND. The Principal and CEO is South West Regional Chair for Natspec and is a member of the Board of Directors.

- **Maintaining the Quality of Care in Children's Home**

A key area of risk for the Charity remains maintaining the quality of care within the Children's Home (Rolle House). In the year Ofsted issued a notice of compliance and rating of Requires Improvement. This risk reflects the potential for adverse impacts on young people's experience, regulatory outcomes and reduction in income. To mitigate this risk, the Charity has implemented strengthened governance and quality assurance arrangements, including regular external independent visitors, a detailed action plan, an improvement partner and enhanced monitoring through senior leadership and the Care & Safeguarding Committee. A Strategic Care Review will commence in 2026.

- **Deterioration of financial position (Budget pressures, unsustainable deficit and significant cashflow concern)**

There is a risk of significant deterioration in the financial position and cashflow instability. This risk arises from ongoing budget cost pressures such as increases in Employers National Insurance, the impact of the Pay Review, high costs of staff absence cover and the risk of reduction in income if student placement numbers decline.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

Mitigations include strengthened management accounts processes, regular reporting to Finance and Resources Committee and Board of Trustees, Senior Leadership Team oversight of staff absence expenditure, phased implementation of the revised fee model, exploration of a block placement agreement with Devon, increase of resource in the finance team, and consideration of a new finance system to improve financial reports. Cashflow remains a specific concern due to the potential impact of lower-than-expected admissions, Local Authorities shifting payment terms from advance to arrears, delays in fee payments, and VAT-related fluctuations. Controls include improved reserve levels (with freely available reserves recovered to £988k at 31/08/25), updated reserves policy, strengthened cashflow monitoring, use of an investment platform to maximise investment income and hold cash reserves, and completion of debt refinancing to stabilise liquidity.

- **Quality of Education & Care**

The risk of not maintaining improvements/quality and retaining Good Ofsted ratings is addressed through monitoring of the School and College Improvement plan and is reviewed regularly by Education Standards Committee and supported by our Improvement Partner. Further assurance is provided by external quality assurance reviews through Challenge Partners Programme and Natspec. Care is monitored through the Children's Home Governing Body and Care and Safeguarding committee in addition to a programme of regular independent visitor reports.

- **Campus and building capacity**

There is a risk that the campus and buildings will not have sufficient capacity to meet student demand. The strategic plan envisaged that the site would reach full capacity by 2028; however, this capacity pressure is happening sooner. There are risks of insufficient number of spaces being available for new students (compounded by levels of complex needs, gender and age balances) or that the Charity is not able to adapt the physical environment to meet student needs.

Capacity is monitored by the Senior Leadership Team and the Admissions group. The increased residential capacity at Fearnside House is now full. The Charity is considering how capacity could best be increased, including assessing other means of supporting students through a Strategic Care Review.

- **Workforce Capacity (Retention and Recruitment)**

There is a risk that the Charity will not be able to retain or recruit suitably qualified or experienced staff, especially to management and leadership roles. There is also a risk that the Charity will not be able to recruit and retain in sufficient numbers and at sufficient levels to support the rise in student numbers, especially as the needs of the student cohort increase in complexity. Costs of living increases, increases in the minimum wage, and the more general loss of staff in the education and care sectors also have an impact on retention and recruitment risk. The Trustees have recognised that, as the Charity's workforce becomes more skilled and experienced and the Charity's reputation grows, there is an increased risk that staff will receive employment offers from other organisations.

Recruitment and retention risks are mitigated by enhanced recruitment approaches, contingency arrangements to cover staff absences and the use of Staff surveys to identify and address issues and more recently a staff wellbeing day. A pay review was commissioned and implemented in 2024/25. A workforce development plan is being designed to support the strategic aim of being 'a great place to work'.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

Other risks included on the risk register are:

- Significant Safeguarding incident
- Significant failure to recognise medical needs or a failure in medical administration or support
- Significant failure in Health and Safety processes
- Significant outage/extended period of disruption of IT systems or significant cyber incident.
- Significant non-compliance with GDPR regulations

Through the risk management process established by the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been adequately managed.

Fundraising

Fundraising is an important source of income to the Charity. During 2024/25 the combined operations of the Academy, Fearnside House and the Children's Home was a deficit of £195k. The Charity has subsidised this deficit from legacy income, fundraising and from reserves.

Income from legacies continues to play a vital role in supporting the Deaf Academy's charitable work. As with all legacy giving, it is impossible for us to predict who may choose to remember the Academy in their Will or the value of any future gifts, yet these gestures of kindness have had a profound and lasting impact. In recent years, the Academy has benefited significantly from the generosity of individuals who believed in our mission and chose to create a legacy that supports future generations of Deaf young people. These gifts have strengthened our ability to invest in essential projects, enhance our facilities, and continue delivering high-quality education, care and support.

The Charity received donations of £31k (2024 - £165k) and legacies of £97k (2024 - £200k) in the year which supported capital projects including the pedestrian road crossing, the sensory circuit/outdoor play area and funded the purchase of vibrating vests which allow the young people to 'feel' the sound at events. The Charity relies on donations to fund capital projects and provide additional services not funded by local authorities such as Sign Language weekends for families and carers of Deaf young people.

The Charity receives grants from the Education and Skills Funding Agency (ESFA), now the DFE. The Charity received grant income of £30k restricted for various projects as reported in note 15.

In 2026, the Charity will centre its fundraising efforts on the Bicentenary Legacy Fund, launched as part of the Deaf Academy's 200th anniversary celebrations. This dedicated fund aims to secure long-term support for future generations of Deaf young people, helping to remove barriers and empower them to achieve their aspirations. Alongside a year-long programme of celebratory events and community engagement, the Charity will actively encourage donations, sponsorship and wider fundraising participation to build a lasting legacy that strengthens Deaf education for the next 200 years.

The Charity carries out fundraising through its website which contains a link to the Deaf Academy JustGiving page. The Deaf Academy JustGiving page invites private individuals and other organisations to donate or create their own fundraising page to support the Deaf Academy. Individuals also have the opportunity to make cash donations to collecting tins at events hosted by the Deaf Academy and at events hosted by other organisations at which the Deaf Academy has a presence. The Deaf Academy does not carry out door to door, street fundraising or direct mailings and does not employ any third parties to carry out fundraising activities on its behalf. Staff and students involved in events are aware of what would constitute unreasonably persistent approaches or placing undue pressure on a person for the purpose of soliciting donations at events. The Charity does not engage third party professional fundraisers.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

Equality and Diversity

Respecting diversity is one of the Charity's key values and we are committed to being an inclusive organisation where diversity is celebrated and valued.

The Charity strives to create a culture where mutual cooperation, respect, dignity and trust are fostered. The Charity will not tolerate unfair or unlawful treatment on the grounds of age, disability, gender, transgender, marital status, race, colour, ethnic origin, socioeconomic background, sexual orientation, nationality, trade union membership and activity, philosophical, political or religious beliefs or unbelief, and pregnancy or maternity.

The Charity's Equality & Diversity Policy articulates this commitment and ensures that all staff, students and volunteers are treated fairly and have equal access to learning programmes, facilities and employment opportunities.

Going concern

At the date of approval of the accounts the Charity has an adequate level of cash reserves. Fee income is stable, student numbers have increased and applications for admission to the school and college rolls are growing. The new facilities at Fearnside House enable us to plan confidently for future growth. The Trustees have reviewed the cash forecasts and commitments and are satisfied there are adequate financing arrangements in place. Taking all these factors into consideration the Trustees consider that the Charity should 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 Statement of Accounting Policies.

Financial review

Since relocating to the Exmouth campus in 2020, the Charity's financial position strengthened year on year, with surpluses reported up to the 2023/24 financial year. This improvement was driven by growth in student numbers, legacy income, funding from charitable trusts and cost control. However, 2024/25 marked a downturn, with a deficit of £163k. This deficit was supported by fundraising and legacy income. The Charity continues to operate in a challenging funding environment, in which local authorities' high needs budgets remain under significant pressure, while the Charity faces rising employment costs including increases to Employer's National Insurance, the National Minimum Wage and the Pay Review.

The deficit reflects the reality that the fees paid by local authorities were not covering the full cost of delivering education, therapies and care. Increasing complexity in students' needs, alongside rising operating costs, outpaced the fee levels previously in place. To address this, a comprehensive Fees Review was undertaken during 2024/25, assessing universal provision, student pathways, interventions and individual resource requirements. Revised fees were introduced for the 2025/26 academic year on a phased basis and are expected to support a return to a financially sustainable operating position.

The Charity remains reliant on fundraising through Trusts and legacies to support capital investment and maintain the quality of its facilities, ensuring it can continue to meet growing demand for student places. Legacy and Trust income reduced considerably in 2024/25, falling from £365k in 2023/24 to £128k in 2024/25. A significant annual depreciation charge of £741k was also incurred due to the five year depreciation period on the plant and equipment in the purpose built Academy campus. The depreciation charge will reduce in 2026.

The cash position increased by £403k at the year end; partly due to a higher level of fees paid in advance compared to the previous year. The Charity has structured long-term loan finance with CAF Bank. In addition, the Charity made the first loan repayment of £100k in 2024/25 for the unsecured loan repayable over a 5 year period from 2025 to 2029.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2025

Freely available reserves at the balance sheet date were £988k, calculated as unrestricted current assets and investments less unrestricted current liabilities and designated funds. Total reserves decreased by £163k during the year ended 31 August 2025, reflecting the operating deficit of £172k offset by £9k gains on investments and fixed asset disposals.

Reserves policy

The Trustees have reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. The target level of reserves is set after considering the key risks facing the Charity and the regular financial forecasts prepared by management. The level is reviewed annually by Trustees. We aim to maintain sufficient reserves to enable us to carry on our work when faced with difficult circumstances and to adjust our strategy in response, while ensuring we maximise the resources readily available for charitable purposes. Our primary operating funding comes from local authorities and is reasonably foreseeable in the short term. This, together with the significant value of our freehold premises and expectation that we will continue as a going concern, is such that we do not provide reserves for cessation or the impact of our share of the deficits of the defined benefit pension scheme.

The Trustees reviewed the freely available reserves during 2024/25 and consider that the Charity should hold a freely available reserves of at least £1m with a target to increase this to £1.4m. The Charity had £988k of freely available reserves at the 2024/25 balance sheet date which was slightly below the minimum level of £1m. The Trustees recognise that these reserves are lower than the £1.4m target because they have been impacted by the deficit position in 2024/25. The target will remain and the phased implementation of the fees review will support this target.

Investment policy

The objective of the investment policy is to maximise the total return of the funds whilst avoiding undue risk. The investment policy and investments held by the Charity will continue to be reviewed annually.

Investment performance

The investments are held within Common Investment Funds and are divided between Fixed Interest and Equity shares. The market value of investments at the balance sheet date was £64k. These funds have produced an income of £2.8k for the reporting period.

The Trustees' Report was approved by order of the Board of Trustees on 12 February 2026 and was signed on its behalf by:

Dame A Pedder DBE
Chair

Exeter Royal Academy for Deaf Education

Statement of Trustees' Responsibilities

The Trustees (who are 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education

Opinion

We have audited the financial statements of Exeter Royal Academy for Deaf Education (the 'Charity') for the year ended 31 August 2025, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Charity as at 31 August 2025 and of the Charity's net income 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate accounting records have not been kept by the Charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the Trustees 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Charity and the industry/ sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we held discussions with management.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the Charity complies with laws and regulations and deals with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Charity's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- A review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance;
- A review of Board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud and were told there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were the manipulation of the financial statements (including the risk of override of controls) and we determined that the principal risks were related to fraudulent financial reporting, in particular to fraud in revenue recognition and grant funding received.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed grant funding agreements;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

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. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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

Use of our report

This report is made solely to the Charity'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 Charity's Members those matters we are required to state to them in an auditor's 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 Charity and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Hobbs BSc ACA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Date: 24 February 2026

Exeter Royal Academy for Deaf Education

Statement of Financial Activities for the Year Ended 31 August 2025

(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2025 £
Income from:				
Donations and grants	2	300,484	54,987	355,471
<i>Charitable activities:</i>				
Academy and children's home operations		8,512,315	-	8,512,315
Other trading activities	3	18,682	-	18,682
Investments	4	41,385	-	41,385
Other income	5	91,492	-	91,492
Total		8,964,358	54,987	9,019,345
Expenditure on:				
<i>Charitable activities:</i>				
Academy and children's home operations		9,072,063	61,037	9,133,100
Total	6	9,072,063	61,037	9,133,100
Net expenditure		(107,705)	(6,050)	(113,755)
Transfers between funds		-	-	-
Other recognised gains and losses				
Gains on investment assets		3,126	-	3,126
Gains on disposal of tangible fixed assets		6,330	-	6,330
Actuarial losses on defined benefit pension schemes		(59,000)	-	(59,000)
Net movement in funds		(157,249)	(6,050)	(163,299)
Reconciliation of funds				
Total Funds brought forward at 1 September 2024		17,191,837	62,489	17,254,326
Total Funds carried forward at 31 August 2025		17,034,588	56,439	17,091,027

Exeter Royal Academy for Deaf Education

Statement of Financial Activities for the Year Ended 31 August 2024

(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Income from:				
Donations and grants	2	364,233	175,343	539,576
<i>Charitable activities:</i>				
Academy and children's home operations		7,199,551	-	7,199,551
Other trading activities	3	48,825	-	48,825
Investments	4	26,173	-	26,173
Other income	5	69,056	-	69,056
Total		7,707,838	175,343	7,883,181
Expenditure on:				
<i>Charitable activities:</i>				
Academy and children's home operations		7,626,453	47,288	7,673,741
Total	6	7,626,453	47,288	7,673,741
Net income		81,385	128,055	209,440
Transfers between funds		233,461	(233,461)	-
Other recognised gains and losses				
Gains on investment assets		3,344	-	3,344
Gains on disposal of tangible fixed assets		1,679	-	1,679
Actuarial losses on defined benefit pension schemes		(61,000)	-	(61,000)
Net movement in funds		258,869	(105,406)	153,463
Reconciliation of funds				
Total Funds brought forward at 1 September 2023		16,932,968	167,895	17,100,863
Total Funds carried forward at 31 August 2024		17,191,837	62,489	17,254,326

Exeter Royal Academy for Deaf Education

(Registration number: 06585703)

Balance Sheet as at 31 August 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	10	17,654,587	18,190,104
Investments	11	63,977	60,851
		<u>17,718,564</u>	<u>18,250,955</u>
Current assets			
Debtors	12	541,304	351,947
Cash at bank and in hand		<u>1,770,633</u>	<u>1,367,720</u>
		2,311,937	1,719,667
Creditors: Amounts falling due within one year	13	<u>(1,244,504)</u>	<u>(849,966)</u>
Net current assets		<u>1,067,433</u>	<u>869,701</u>
Total assets less current liabilities		18,785,997	19,120,656
Creditors: Amounts falling due after more than one year	14	<u>(1,694,970)</u>	<u>(1,866,330)</u>
Net assets excluding pension liability		17,091,027	17,254,326
Pension scheme liability	23	-	-
Net assets after pension liability		<u>17,091,027</u>	<u>17,254,326</u>
Funds:			
Restricted funds		<u>56,439</u>	<u>62,489</u>
Unrestricted funds			
Revaluation fund		92,552	90,048
Capital fund		15,837,004	16,198,805
Legacy fund		-	50,000
Designated fund		117,010	-
Other freely available reserves		988,022	852,984
		<u>17,034,588</u>	<u>17,191,837</u>
Total funds		<u>17,091,027</u>	<u>17,254,326</u>

The financial statements were approved by the Trustees, and authorised for issue on 12 February 2026 and signed on their behalf by:

Mr A Collyer
Trustee

Exeter Royal Academy for Deaf Education

Statement of Cash Flows for the Year Ended 31 August 2025

	Note	2025 £	2024
Net cash flows from operating activities	18	727,100	153,304
Net cash flows from investing activities	19	(157,653)	(161,343)
Net cash flows from financing activities	20	<u>(166,534)</u>	<u>(66,784)</u>
Increase / (Decrease) in cash in the year	21	<u>402,913</u>	<u>(74,823)</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention with items being recognised at cost or transaction value unless otherwise stated in the notes to these accounts.

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), and with the requirements of the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS102.

The Charity is incorporated in England and Wales. The address of its registered office is given on page 1.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The functional and presentational currency is sterling.

Income

All incoming resources are recognised when the Charity has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations

Donations and legacies are recognised on a receivable basis where there is probability of receipt and the amount can be reliably measured.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

1 Accounting policies (continued)

Other income

Fees receivable and charges for services are accounted for in the period in which the service is provided.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy & Children's Home operations.

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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under the course of construction, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

All fixed assets are initially recorded at cost, except for freehold and leasehold properties acquired before 31 August 2015. Up to and including 31 August 2015 it was the Trustees' policy to revalue freehold properties at depreciated replacement cost in the accounts due to the specialised nature of the asset as a result of the services provided by the Charity. The Trustees adopted the transitional provisions of FRS 102, which provide that companies do not have to revalue tangible fixed assets. Previous valuations have been retained as deemed cost and have not been updated.

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

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Freehold buildings	50 years straight line
Plant and equipment	20% straight line
Motor vehicles	20% straight line

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 Charity 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.

Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

The costs of operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Stock

Stock and work in progress is valued at the lower of cost or net realisable value.

Financial Instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Charity and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

1 Accounting policies (continued)

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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. Bank loans are initially measured at transaction price, including transaction costs, are subsequently carried at amortised costs using the effective interest method except to the extent that finance costs are immaterial.

Taxation

The Charity is exempt from taxation to the extent that its income and gains are applied exclusively for charitable purposes.

Pension benefits

Retirement benefits to employees of the Charity are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Charity. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity 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. As stated in the notes to the financial statements, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore 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 scheme and the assets are held separately from those of the Charity in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the prospective 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 charges, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying 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.

The Charity also operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Charity and are independently administered. The amount charged to the SOFA represents the contributions payable to the scheme in respect of the year.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Charity at the discretion of the Trustees. The Capital Fund represents the net book value of the unrestricted Fixed Assets less the loans due over more than one year.

The Charity has several restricted funds. Details of the nature of these funds are given in note 15.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Charity 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2025. 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.

2 Donations and grants

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Grants	197,960	29,768	227,728	174,129
Donations and fundraising	5,514	25,219	30,733	165,447
Legacies	97,010	-	97,010	200,000
	300,484	54,987	355,471	539,576

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Hire of facilities	1,505	-	1,505	4,056
Other income	17,177	-	17,177	44,769
	18,682	-	18,682	48,825

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

4 Investment income

	Unrestricted funds £	Total 2025 £	Total 2024 £
Bank interest receivable	38,563	38,563	23,206
Other investment income	2,822	2,822	2,967
	<u>41,385</u>	<u>41,385</u>	<u>26,173</u>

5 Other income

	Unrestricted funds £	Total 2025 £	Total 2024 £
Pupil Premium Income	9,090	9,090	9,790
Other Educational Fees	82,402	82,402	59,266
	<u>91,492</u>	<u>91,492</u>	<u>69,056</u>

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2025 £	Total 2024 £
<i>Charitable activities:</i>					
Academy & Children's Home operations					
Direct costs	5,369,086	-	393,555	5,762,641	4,555,840
Allocated support costs	1,265,075	1,278,518	826,866	3,370,459	3,117,901
	<u>6,634,161</u>	<u>1,278,518</u>	<u>1,220,421</u>	<u>9,133,100</u>	<u>7,673,741</u>

Net income for the year is after charging:

	2025 £	2024 £
Fees payable to auditor - audit services	19,856	17,865
Fees payable to auditor - other services	18,518	13,473
Operating leases	54,605	73,328
Interest paid	<u>109,383</u>	<u>124,723</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

7 Charitable activities

	Total 2025 £	Total 2024 £
Direct costs	5,762,641	4,555,840
Support costs	3,370,459	3,117,901
	<u>9,133,100</u>	<u>7,673,741</u>

	Total 2025 £	Total 2024 £
Analysis of support costs		
Support staff costs	1,265,075	1,042,217
Depreciation	740,885	718,568
Premises costs	537,633	525,569
Other support costs	826,866	831,547
Total support costs	<u>3,370,459</u>	<u>3,117,901</u>

8 Staff

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	5,460,106	4,382,743
Social security costs	541,588	379,001
Pension costs	632,463	487,770
	<u>6,634,157</u>	<u>5,249,514</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

8 Staff (continued)

The average number of persons (including senior management team) employed by the Charity during the year expressed as average headcount was as follows:

	2025 No	2024 No
Charitable Activities		
Teachers & Education Support	103	90
Care	50	42
Support, Estates, Fundraising & Marketing	37	34
	<u>190</u>	<u>166</u>

Higher paid staff

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

	2025 No	2024 No
£60,001 - £70,000	3	1
£70,001 - £80,000	1	-
£90,001 - £100,000	<u>1</u>	<u>1</u>

The key management personnel of the Charity are 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 Charity was £222,071 (2024 - £207,888).

9 Trustees' remuneration and expenses

The Trustees have not received any remuneration from the charity during the year.

As permitted by the Memorandum and Articles of Association, during the year ended 31 August 2025 travel and subsistence expenses totalling £nil (2024 - £20) were reimbursed or paid directly to trustees (2024 - one).

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

10 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Current year				
Cost				
At 1 September 2024	18,667,235	2,363,922	169,624	21,200,781
Additions	-	163,179	42,189	205,368
Disposals	-	-	(25,801)	(25,801)
At 31 August 2025	18,667,235	2,527,101	186,012	21,380,348
Depreciation				
At 1 September 2024	1,176,173	1,722,570	111,934	3,010,677
Charge for the year	320,577	392,650	27,658	740,885
Eliminated on disposals	-	-	(25,801)	(25,801)
At 31 August 2025	1,496,750	2,115,220	113,791	3,725,761
Net book value				
At 31 August 2025	17,170,485	411,881	72,221	17,654,587
At 31 August 2024	17,491,062	641,352	57,690	18,190,104

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

10 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2023	18,657,438	2,227,557	154,077	21,039,072
Additions	9,797	141,448	38,420	189,665
Disposals	-	(5,083)	(22,873)	(27,956)
At 31 August 2024	18,667,235	2,363,922	169,624	21,200,781
Depreciation				
At 1 September 2023	855,594	1,357,519	106,482	2,319,595
Charge for the year	320,579	369,665	28,324	718,568
Eliminated on disposals	-	(4,614)	(22,872)	(27,486)
At 31 August 2024	1,176,173	1,722,570	111,934	3,010,677
Net book value				
At 31 August 2024	17,491,062	641,352	57,690	18,190,104
At 31 August 2023	17,801,844	870,038	47,595	18,719,477

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

11 Investments

Quoted Investments

	2025	2024
	£	£
Market value brought forward	60,851	57,507
Revaluation	3,126	3,344
Market value carried forward	<u>63,977</u>	<u>60,851</u>
Historical cost	<u>33,402</u>	<u>33,402</u>

12 Debtors: amounts due within one year

	2025	2024
	£	£
Trade debtors	327,883	184,712
Prepayments	70,359	68,979
Other debtors	<u>143,062</u>	<u>98,256</u>
	<u>541,304</u>	<u>351,947</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

13 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	571,492	324,896
Other taxation and social security	167,758	87,426
Bank loans	68,464	63,638
Other loans	100,000	100,000
Other creditors	50,360	47,772
Accruals and deferred income	286,430	226,234
	<u>1,244,504</u>	<u>849,966</u>

The movement in deferred income for the year is as follows:

	2025 £	2024 £
At 1 September 2024	153,154	72,576
Amount deferred in the year	214,128	153,154
Amount released from previous years	(153,154)	(72,576)
At 31 August 2025	<u>214,128</u>	<u>153,154</u>

14 Creditors: amounts falling due after more than one year

	2025 £	2024 £
Bank loans	1,394,970	1,466,330
Other loans	<u>300,000</u>	<u>400,000</u>
	<u>1,694,970</u>	<u>1,866,330</u>

Bank loans of £1,463,434 (due less than and over one year) are secured by a charge over the charity's property and due for repayment over 15 years from the first repayment date, beginning in May 2023. Other loans totalling £400,000 are unsecured and due for repayment in instalments from 2025 to 2029.

Creditors falling due after more than five years total £1,059,574 (2024 - £1,154,404).

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

15 Funds

Current year:	Balance at 1 September 2024 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2025 £
Restricted funds					
WK Hutchings Family Support	-	3,503	(3,503)	-	-
Andrew Kensit Cup	12,000	-	(500)	-	11,500
Audio Visual Equipment	4,521	-	(3,654)	-	867
ICT Suite	7,815	-	(7,815)	-	-
Residential Flats	4,500	-	(4,500)	-	-
School Classroom	3,082	-	(3,082)	-	-
Dorothy Hird Trust	3,000	-	(1,000)	-	2,000
Margaret Ann Robinson Award	9,000	-	(500)	-	8,500
Outdoor Classroom	12,000	-	(3,000)	-	9,000
Pedestrian Road Crossing	6,571	16,174	(4,549)	-	18,196
Sensory Circuit / Outdoor Play	-	6,086	-	-	6,086
Vibrating Backpacks	-	3,794	(3,794)	-	-
Active Devon	-	10,559	(10,559)	-	-
Other restricted funds	-	14,871	(14,581)	-	290
Total restricted funds	62,489	54,987	(61,037)	-	56,439
Unrestricted funds					
Revaluation fund	90,048	-	-	2,504	92,552
Capital fund	16,198,805	-	(736,028)	374,227	15,837,004
Legacy fund	50,000	-	(50,000)	-	-
Designated fund	-	117,010	-	-	117,010
Other unrestricted funds	852,984	8,847,348	(8,286,035)	(426,275)	988,022
Total unrestricted funds	17,191,837	8,964,358	(9,072,063)	(49,544)	17,034,588
Total funds	17,254,326	9,019,345	(9,133,100)	(49,544)	17,091,027

The restricted funds are set up for the following purposes:

WK Hutchings Family Support – To enable sign language weekends to be delivered to families and friends of Deaf children and professionals who work with Deaf children. To provide transitional support for student leavers.

Andrew Kensit Cup – In memory of student Andrew Kensit, each year a student will be awarded the Cup and a bursary.

Dorothy Hird Trust – To provide the ‘sensory nook’ at the Children’s Home

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

15 Funds (continued)

Margaret Ann Robinson Award – In memory of Margaret Ann Robinson, each year a student who has helped others or the local community will receive an award from the fund.

Outdoor Classroom – To provide an accessible outside classroom space. This space increases the classroom capacity and allows learning during all weather conditions. Students can also access the outdoor classroom for social activities during break times.

Pedestrian Road Crossing – To contribute to the cost of improving road safety outside the Academy gates along Douglas Avenue. The puffin crossing includes high friction road surfacing and advanced warning signing on both approaches. It also has visual, tactile and audible pedestrian indicators to help staff, students and other road users to cross safely.

Sensory circuit/Outdoor Play – To transform an outdoor space into a stimulating new sensory play area. This has been designed by teaching and therapy specialists to support Deaf young people with additional needs; with equipment and spaces that promote educational, physical, social development and wellbeing.

Vibrating Backpacks – To enable our students to experience the world of music. The backpacks are equipped with vibrational sensors so students can experience music and sound through the vibrations and appreciate the sound effects in films and live performances.

Active Devon – To enhance the Academy's sports facilities in order to increase opportunities for students to have access to a wide range of sports that support their physical and social development and wellbeing.

Other restricted funds – Various smaller projects, mainly in connection with video technology, ICT, sports & PE, sailing and curriculum activities.

Unrestricted designated fund

All Legacies (other than Restricted Funds) are added to the Legacy Fund on a receivable basis where there is probability of receipt and the amount can be reliably measured. The Legacy Fund is a designated fund. The Board of Trustees designates funds from the Legacy Fund to specific projects based on the list of planned projects and compiled and monitored by the Charity's Fundraising Group.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

15 Funds (continued)

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
Current year:					
Restricted funds					
WK Hutchings Family Support	-	6,000	(6,000)	-	-
Andrew Kensit Cup	12,500	-	(500)	-	12,000
Audio Visual Equipment	8,175	-	(3,654)	-	4,521
ICT Suite	15,095	-	(7,280)	-	7,815
Residential Flats	9,000	-	(4,500)	-	4,500
School Classroom	6,164	-	(3,082)	-	3,082
Dorothy Hird Trust	4,000	-	(1,000)	-	3,000
Margaret Ann Robinson Award	9,500	-	(500)	-	9,000
Adult Residential and Bradbury Learning Centre	103,461	132,000	(2,000)	(233,461)	-
Outdoor Classroom	-	15,000	(3,000)	-	12,000
Pedestrian Road Crossing	-	6,571	-	-	6,571
Vibrating Backpacks	-	3,000	(3,000)	-	-
Other restricted funds	-	12,772	(12,772)	-	-
Total restricted funds	167,895	175,343	(47,288)	(233,461)	62,489
Unrestricted funds					
Revaluation fund	87,326	-	-	2,722	90,048
Other unrestricted funds	16,845,642	7,707,838	(7,626,453)	174,762	17,101,789
Total unrestricted funds	16,932,968	7,707,838	(7,626,453)	177,484	17,191,837
Total funds	17,100,863	7,883,181	(7,673,741)	(55,977)	17,254,326

The restricted funds are set up for the following purposes:

WK Hutchings Family Support - To enable sign language and support to be delivered to families and to support keeping in touch with students, supporting our Online Academy and transitional support for student leavers.

Andrew Kensit Cup - In memory of student Andrew Kensit, each year a student will be awarded the Cup and a bursary.

Dorothy Hird Trust – To provide the “sensory nook” at the children's home.

Adult Residential & Learning Centre – To enable a visionary new residential provision as an extension to the main campus, giving our young adult students the support they need to prepare them for independent living and work.

Margaret Ann Robinson Award – In memory of Margaret Ann Robinson, each year a student who has helped others or the local community will receive an award from the fund.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

15 Funds (continued)

Outdoor Classroom – To provide an accessible outside classroom space. This space increases the classroom capacity and allows learning during all weather conditions. Students can also access the outdoor classroom for social activities during break times.

Pedestrian Road Crossing – To contribute to the cost of improving road safety outside the Academy gates along Douglas Avenue. The puffin crossing includes high friction road surfacing and advanced warning signing on both approaches. It also has visual, tactile and audible pedestrian indicators to help staff, students and other road users to cross safely.

Vibrating Backpacks – To enable our students to experience the world of music. The backpacks are equipped with vibrational sensors so students can experience music and sound through the vibrations and appreciate the sound effects in films and live performances.

Other restricted funds – Various smaller projects, mainly in connection with video technology, ICT, sports & PE, sailing and curriculum activities.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2025 are represented by:

	Unrestricted funds (general) £	Unrestricted funds (designated) £	Restricted funds £	Total funds £
Tangible fixed assets	17,624,524	-	30,063	17,654,587
Investments	63,977	-	-	63,977
Current assets	2,168,551	117,010	26,376	2,311,937
Current liabilities	(1,244,504)	-	-	(1,244,504)
Creditors due after more than one year	(1,694,970)	-	-	(1,694,970)
Total net assets	16,917,578	117,010	56,439	17,091,027

Fund balances at 31 August 2024 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	18,155,183	34,921	18,190,104
Investments	60,851	-	60,851
Current assets	1,692,099	27,568	1,719,667
Current liabilities	(849,966)	-	(849,966)
Creditors due after more than one year	(1,866,330)	-	(1,866,330)
Total net assets	17,191,837	62,489	17,254,326

Freely Available Reserves

The freely available reserves for the charity represent unrestricted general net current assets and investments. The freely available reserves at 31 August 2025 were £988,022 (2024: £902,984).

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

17 Commitments under operating leases

Operating leases

At 31 August 2025 the Charity had total future commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2025 £	2024 £
Within one year	65,264	74,084
After more than one year but within five years	213,218	191,558
After more than five years	521,245	549,254
	<u>799,727</u>	<u>814,896</u>

18 Reconciliation of net income to net cash flows from operating activities

	2025 £	2024 £
Net (expenditure) / income	(113,755)	209,440
Depreciation	740,885	718,568
Investment income	(41,385)	(26,173)
Difference between pension scheme charges and contributions paid	(59,000)	(61,000)
Increase in debtors	(189,357)	(238,413)
Increase / (decrease) in creditors	389,712	(449,118)
Net cash flows from operating activities	<u>727,100</u>	<u>153,304</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

19 Cash flows from investing activities

	2025 £	2024 £
Purchase of tangible fixed assets	(205,368)	(189,665)
Proceeds from the sale of tangible fixed assets	6,330	2,149
Investment income	41,385	26,173
Net cash flows from investing activities	<u>(157,653)</u>	<u>(161,343)</u>

20 Cash flows from financing activities

	2025 £	2024 £
Repayment of borrowings	(166,534)	(58,484)
Repayment of finance lease liabilities	-	(8,300)
Net cash flows from financing activities	<u>(166,534)</u>	<u>(66,784)</u>

21 Analysis of changes in net debt

	At 1 September 2024 £	Cash flows £	Non-cash changes £	At 31 August 2025 £
Cash at bank and in hand	1,367,720	402,913	-	1,770,633
Loans falling due within one year	(163,638)	166,534	(171,360)	(168,464)
Loans falling due after more than one year	<u>(1,866,330)</u>	-	171,360	<u>(1,694,970)</u>
	(2,029,968)	166,534	-	(1,863,434)
	<u>(662,248)</u>	<u>569,447</u>	-	<u>(92,801)</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

22 Members' liability

The company is limited by guarantee and has no share capital. In the event of a winding up the liability of the members is limited to £1 each.

23 Pension and similar obligations

The Charity's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-teaching staff, and Aegon. Both the TPS and the LGPS are multi-employer defined benefit schemes; Aegon is a defined contribution pension scheme.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £70,690 were payable to the schemes at 31 August 2025 (2024: £62,344) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- 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 result of this valuation was implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2027.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

23 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the year amounted to £266,105 (2024 - £196,503).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charity is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Charity has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charity has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2025 was £157,000 (2024 - £146,000), of which employer's contributions totalled £131,000 (2024 - £122,000) and employees' contributions totalled £26,000 (2024 - £24,000). The agreed contribution rates for future years are 22.3% for employers plus an additional top up for the past service deficit of £46,000 per annum and 5.5% to 12.5% for employees.

Principal actuarial assumptions

	At 31 August 2025	At 31 August 2024
	%	%
Rate of increase in salaries	3.5	3.85
Rate of increase for pensions in payment/inflation	2.5	2.85
Discount rate for scheme liabilities	5.95	5.05

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

	At 31 August 2025	At 31 August 2024
Retiring today		
Males retiring today	21.3	21.4
Females retiring today	24.0	22.7
Retiring in 20 years		
Males retiring in 20 years	22.9	22.7
Females retiring in 20 years	25.7	24.1

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

23 Pension and similar obligations (continued)

Sensitivity analysis on present value of scheme obligations

	At 31 August 2025 £	At 31 August 2024 £
Discount rate +0.1%	8,501,000	9,812,000
Discount rate -0.1%	8,772,000	10,160,000
Mortality assumption + 1 year increase	8,863,000	10,293,000
Mortality assumption – 1 year decrease	8,413,000	9,685,000
CPI rate +0.1%	8,768,000	10,153,000
CPI rate -0.1%	8,505,000	9,819,000

The actual return on scheme assets was positive £802,000 (2024 – positive £1,167,000).

Amounts recognised in the statement of financial activities

	2025 £	2024 £
Current service cost	67,000	57,000
Net interest income	(3,000)	(3,000)
Admin expenses	8,000	7,000
Total amount recognised in the SOFA	72,000	61,000

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

	2025 £	2024 £
At start of period	9,984,000	9,388,000
Current service cost	67,000	57,000
Interest cost	490,000	484,000
Admin expenses	8,000	7,000
Employee contributions	26,000	24,000
Actuarial (gain)/loss	(2,051,000)	354,000
Change in demographic assumptions	301,000	(21,000)
Experience loss/(gain) on defined benefit obligations	81,000	(47,000)
Benefits paid	(271,000)	(262,000)
At 31 August	8,635,000	9,984,000

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

23 Pension and similar obligations (continued)

Changes in the fair value of Charity's share of scheme assets:

	2025 £	2024 £
At start of period	10,657,000	9,613,000
Interest income	527,000	499,000
Actuarial gain	267,000	661,000
Employer contributions	131,000	122,000
Employee contributions	26,000	24,000
Benefits paid	(271,000)	(262,000)
At 31 August	11,337,000	10,657,000
(Surplus)	(2,702,000)	(673,000)

As at 31 August 2025, the actuarial valuation for the Charity includes a surplus totalling £2,702,000 (2024: £673,000). This surplus has not been recognised within the financial statements.

High UK corporate bond yields have resulted in high accounting discount rates which contributed to the closing surplus position. There is no specific guidance in FRS 102 in relation to surplus balances, therefore reference has been made to IAS 19. This requires any surplus recognition to be limited to the present value of economic benefits available in the form of either refunds or reduced future contributions (the asset ceiling).

The right to a refund would occur in the form of a credit payable to the Charity, for example on exiting the pension fund. Whether any refund is provided is governed by Regulation 64 of the 2013 Local Government Pension Scheme Regulations and set out in the specific local authority funding strategy statement. The payment of this credit is at the discretion of the local authority based on a variety of pre-determined factors. Given there are no circumstances to suggest an exit from the fund and the determination of any credit is outside the control of the Charity, there is no basis to recognise any surplus.

With regards to reduced contributions, IAS 19 references minimum funding requirements used by certain schemes which limit the scope for contribution reductions. The LGPS administering authority must obtain a rates and adjustments certificate every three years that shows the contributions to be paid by each employer to the pension fund for the following three years, thereby limiting the availability of any contribution reductions. Additionally, the local authority funding strategy statement provides for potential reductions in future contributions, but these would be at the discretion of the local authority with, in the majority of cases, academies being part of a stabilisation approach which sets a limit on any change to contributions e.g. to 1% of pay per year. This suggests minimum funding requirements are applicable to the Charity as determined by IAS19. When actuary asset ceiling calculations assume that minimum funding requirements exist, they provide an asset ceiling value of £Nil.

Based on the above, it cannot be determined that a flow of future benefits is probable therefore no asset has been recognised.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2025 (continued)

23 Pension and similar obligations (continued)

Aegon Pension Scheme

The Aegon Pension Scheme is a defined contribution scheme. The total contribution made for the year ended 31 August 2025 was £384,767 (2024 - £306,748), of which employer's contributions totalled £281,101 (2024 - £236,706) and employees' contributions totalled £103,666 (2024 - £70,042).

24 Related party transactions

During the year the Charity made payments totalling £Nil (2024 - £2,700) to Kitson Boyce LLP, an LLP of which one of the Trustees is a partner. At the year end, a balance of £Nil (2024 - £Nil) was owed to Kitson Boyce LLP.

Accounts



Annual report and financial statements

For the period 1st September 2023 - 31st August 2024

Exeter Royal Academy for Deaf Education, a company limited by guarantee
Registered office: The Deaf Academy, 1 Douglas Avenue, Exmouth, Devon, EX8 2AU
Company registration no. 6585703 Registered charity no. 1124523



Registered with
**FUNDRAISING
REGULATOR**

Exeter Royal Academy for Deaf Education

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Exeter Royal Academy for Deaf Education

Reference and Administrative Details

Trustees (Directors)

Mr A Alexander

Dr M Collie (appointed 19 October 2023)

Mr A Collyer, Honorary Treasurer

Mr R Davey

Mr J Dewhirst

Mrs S Papworth

Dame A Pedder OBE, Chair

Mr D Robertson, (appointed as Vice-chair 1 September 2023)

Mr R Spencer

Ms J Stephens MBE

Company Secretary

Mrs C Quick

Key Management Personnel

Mr S Dewing, Principal & Chief Executive Officer (CEO)

Mrs C Quick, Chief Financial Officer

Principal and Registered Office

The Deaf Academy
1 Douglas Avenue
Exmouth
EX8 2AU

Company Registration Number

06585703

Exeter Royal Academy for Deaf Education

Reference and Administrative Details

Independent Auditors

PKF Francis Clark
Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Bankers

National Westminster Bank Plc
59 High Street
Exeter
Devon
EX4 3DP

Charities Aid Foundation (CAF Bank)
PO Box 861
Ipswich
IP1 9LW

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2024. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Charity, Exeter Royal Academy for Deaf Education, operates a non-maintained, residential special school and an independent specialist college for students aged 5 to 25 years (the Deaf Academy). Students are placed at the Deaf Academy by local authorities in England, Scotland and Wales. The Charity also operates a Children's Home for Deaf young people (Rolle House).

Introduction: Sylvan Dewing Principal and CEO

Over the last academic year September 2023 to August 2024 the Deaf Academy and wider Charity has gone from strength to strength. The launch of the strategic plan heralded a new chapter with a clear direction set by Trustees, building on previous years successes. Notable milestones were achieved this year including for the first time in over a decade getting all areas of provision to be rated GOOD or better with Ofsted. In addition, the opening of the new Post 19 residential and learning centre Fearnside House. We received our first national award for our Care provision and additional recognition from Challenge Partners for our specialist Deaf /SEND provision. As an organisation we have also been investing in our workforce by bringing in new skills and talents and investing in existing staff with specialist qualifications and training.

The commitment of our staff to providing the best education and care to each and every student underpins the success of the Charity and for this we continue to be grateful. All our partners, stakeholders, donors and local, national and international charities play vital roles in ensuring that we have the resources needed to undertake our work and, on behalf the Trustees, I would like to express our thanks. The overwhelmingly positive feedback and amazing achievements of our students evidences the value created by our staff and supporters.

Challenges lie ahead, both political and economic, as our national government and our host regional authority look to address the systemic issues within the wider education system and to better meet the needs of children and young people with Special Educational Needs. We are well placed to meet this challenge and continue to advocate and provide for Deaf young people in line with our charitable objectives.

Strategic Report

Achievements and performance

The Charity launched its 5-year Strategic Plan for 2023 – 2028 in January 2024.

The strategic plan includes the following strategic priorities:

1. Redesigning our provision to better meet the changing needs of our students
2. Securing and maintaining high quality in all aspects of our provision
3. Becoming a research and professional development and training hub for professionals working for Deaf children with additional and complex needs
4. Maintaining a financial surplus, reinvesting in our staff, facilities and resources
5. Creating significant impact regionally and locally via the promotion of our wider Charity objectives (raising awareness/promotion, tackling discrimination, campaigning)
6. Ensuring the Charity is a great place to work

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

Priorities 1&2: Redesigning provision and improving and maintaining quality

We achieved the following milestones during 2023/24

- The new post 19 centre, Fearnside House and Bradbury Learning Centre, opened in September 2023
- Residential Care achieved a Good Ofsted inspection
- Rolle House achieved a Good Ofsted inspection
- Post 19 achieved a Good Ofsted inspection (ahead of the milestone for 2024/25)

The Charity achieved a Challenge Partners Area of Excellence Award for its integrated approach to complex needs and a member of the Care team was a National Award winner at the Great British Care Awards in March 2024.

March 2024 saw the official opening event for Fearnside House, where the Bradbury Learning Centre was unveiled, named in recognition of the generous donation from the Bradbury Foundation. During the year further distributions from the Anita Fearnside Estate were received, meaning that the fundraising target for Fearnside House was successfully met.

Good progress has been made in the development of Fearnside House and the Bradbury Learning Centre. Students have reported high levels of satisfaction with the new facility and are involved in developing the facility, receiving a donation from the previous residents of Fearnside House for outside benches and gardening equipment.

The Education team has continued to focus on designing and embedding the Academy's bespoke curriculum and designing the Quality Assurance programme that will run alongside it. The development of the bespoke curriculum and associated pathways is closely aligned to the fees review.

Donations were received towards the new outdoor classroom which was built by Splash Projects in February 2024. The outdoor classroom is used as a social space by students during lunch and break times in addition to being an additional resource to enhance the curriculum.

The Academy launched the Academy Eco Schools committee, involving students and staff from across the Academy and supported by Let's Go Zero. The Academy was awarded the Eco Schools Green Flag Award in recognition of this work.

Priority 3: Research and Development and Training Hub

We have made good progress in developing the applied Qualified Teacher of the Deaf programme with Exeter University. First stage approval to run the programme, jointly with Exeter University, has been received.

The Charity has set up a Research and Development Group and submitted a joint bid, with Exeter University, to the Economic and Social Research Council (ERSC) for research and work on multilingualism.

The Principal and CEO was elected as a National Association of Specialist Colleges (Natspec) board member and South West Chair and the Partnership and Community Manager was appointed as a Trustee of the UK Council on Deafness. Both appointments increase awareness of the Charity in the SEND education and Deaf communities in addition to providing networking and learning opportunities.

Priority 4: Maintaining a financial surplus. Reinvesting in our staff, facilities and resources

We achieved our budget due to growth in student numbers and higher than budgeted fundraising income. We maintained our financial position with positive cash generation, continued investment in capital and have structured long-term finance with CAF Bank.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

Capacity has been increased with the opening of Fearnside House providing ten additional beds and two extra classrooms. The Charity invested in its staff through the pay review and increasing the Continuing Professional Development (CPD) budget.

Whilst the Charity achieved an overall surplus of £153k, the combined operations of the Academy, Fearnside House and the Children's Home are in a deficit position of £202k and this position continues into 2024/25. The Academy is operating in a financial environment where local authorities' high needs budgets are under pressure combined with the impact of increases in Employer's National Insurance and National Minimum wage. The Charity continues to invest to maintain the quality of the facilities and to meet the increasing demand for student places and relies on fundraising income through Trusts and legacies to support capital improvement projects.

Priority 5: Creating significant impact regionally and locally via the promotion of our wider charitable objectives

The Charity has made good progress in its review of the Charity name and objects and the development of the Bicentenary celebration plans for 2025/26 and is considering the potential for the development of the Mount Radford Lawn site, with a feasibility study delivered to the Trustees in July 2024.

Following the recruitment of a new marketing and communications team we have started to build a stronger social media presence with a 44% increase in engagement across all platforms over the last 3 months of the year.

We are developing stronger media partnerships, including with BBC South West and Deaf media outlets, including the Limping Chicken blog.

We have developed local partnerships with support from the Budleigh Lions, Exeter and Southernhay Rotary Club and the Northcott Theatre. The Charity has supported the RNLI with feedback on incorporating BSL in their water safety video.

We have worked with the Police, NHS and the Met Office to deliver Deaf Awareness training to their employees. Family Sign Language weekends have been well attended.

Priority 6: Ensuring the Charity is a great place to work

The Charity has made good progress in recruitment (increase of 40% in staff numbers since 2020) with the 2023/24 staff survey reporting that 96% of staff enjoy working at the Academy and 94% would recommend it as a great place to work.

Work has continued on the workforce development plan which is due to be launched in 2025. Over £120,000 has been invested in CPD over the year, with over 90 staff receiving BSL training from the in-house team.

Plans for the Future

In 2024/25 the Charity will complete work on the Pay and Fees reviews.

The Fees review represents a fundamental re-structure of the charging structure the Charity will use to calculate fees for Local Authorities. The fees charged to Local Authorities need to fairly represent what is being provided and it is not sustainable for the Charity to continue to subsidise fee levels. It is closely linked to the new bespoke curriculum and will better enable the Charity to demonstrate the resources and provision for students according to their education, care and therapy support levels.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

The Charity recognises the difficult operating and fundraising environment facing both the Charity and its funders. Bearing this in mind we have begun to consider different means of supporting Deaf students with additional needs both within specialist settings and mainstream education. The Charity recognises that the current site is reaching capacity and has started to consider what steps might be made to increase capacity, both in terms of the physical capacity of the buildings and diversifying the Academy offer.

In Autumn 2024 the Governing Body received the first student destination report, demonstrating the next steps for students who left the Academy in 2023/24. The intention is to develop this into a longitudinal reporting tool, covering 3 to 5 years and demonstrate some of the wider impact that the Charity has on its students once they leave the Academy.

In addition to the review of the Charity name and objects, begun in 2023/24, the Trustees plan to complete a more wide-ranging governance review, looking at the committee structure and reporting and ensuring that it is fit for purpose as the Charity moves into the next phase of its development.

Following the success of the Puffin crossing fundraising appeal the intention is to fundraise towards a new sensory playground in 2024/25.

Bi-Centenary Celebrations

In 2026 the Charity will celebrate its 200th anniversary as one of the oldest Deaf schools in the UK. The Charity is planning a series of events to celebrate its rich Deaf history and culture and create a lasting legacy.

Objectives and activities

Objects and aims

The Charity's objects, which were revised with the permission of the Charity Commission in 2008, are as follows:

- to provide education, training, care, accommodation, leisure opportunities, welfare and other support services to deaf people and people who are not deaf but who, due to some other disability, would benefit from the same (principally though not exclusively from the counties of Devon, Cornwall, Somerset and Dorset) with the object of developing their personal, mental, physical and spiritual capacities so that they may realise their full potential as individuals and members of their communities and society as a whole and so that their condition of life may be improved; and
- to educate the general public in the needs and capabilities of deaf people with a view to achieving greater integration between deaf and hearing communities.

The Charity has begun a review of the Charity name and objects to ensure they remain appropriate and fit for purpose. This will also include a review of governance structure, processes and reporting. The review is due to be completed in 2025.

Objectives, strategies and activities

Our vision is to be an outstanding provider of Education, Support and Care for Deaf young people with additional and complex needs and a centre of excellence for Education, Care and Support for Deaf young people with additional and complex needs, including research, sharing best practice, and providing information to the wider Deaf/Special Needs (SEN) sector. We will be a champion in promoting and celebrating the diversity of the Deaf cultural and linguistic community in all its forms and tackling discrimination where it occurs.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

Our mission is to nurture and grow Deaf young people with a real sense of belonging who are confident, resilient, and independent, supporting their development of robust behaviours, knowledge and skills to live happily in the wider world. This informs everything across Education, Care, Support and the whole Academy. We embrace the diversity of both our young people's communication needs and special educational needs and support them on a journey towards a strong sense of self and a clear personal identity.

We provide the following services:

- The Deaf Academy
 - School 9-16 Middle and Upper school (Ofsted registered, Non-maintained Special School status)
 - College (sixth form) 16-18 (Ofsted registered, Non-maintained Special School status)
 - College (adult) 19-25 (Ofsted registered, Specialist Independent Provider status)
 - Residential Care 37 beds (Ofsted registered)
- Fearnside House - 10 bed adult residential care and preparation for adulthood learning centre (Bradbury Learning Centre), opened September 2023.
- Rolle House - Ofsted registered Children's Home for up to four young people

The Deaf Academy, Fearnside House and Rolle House are unique provisions in the UK, offering a specialist curriculum, teaching, support and residential care to Deaf young people, the majority of whom have accompanying additional or complex needs. This is a fantastic place for young people to learn, develop and be part of a diverse Deaf multilingual community. Our aim is to develop empowered, confident young people who are equipped to embark into adulthood with aspiration, skills and resilience.

We encourage our young people to explore their passions and develop a strong Deaf identity, while also supporting them to achieve educationally. We offer a bi-lingual and multi-modal environment, where our students learn both British Sign Language (BSL) and English and use Augmented and Alternative Communication (AAC) strategies and devices, depending on their needs.

Public benefit

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The Charity provides specialist Deaf education which benefits the students who attend the Academy's School & College. Admission to the School & College is open to any student for whom the specialist education has been professionally assessed as appropriate to meet their needs. Fees are charged to allow costs to be recovered, these are usually funded by local authorities and the Education and Skills Funding Agency. Local Authorities benefit as the Charity enables them to meet their statutory responsibilities to educate children with hearing impairment. The families of the Academy's students also benefit from the support given to them and from the greater wellbeing and achievement of their children.

The wider community benefits because many of the Academy's students participate in work-placements and other events in the community, raising awareness of deafness.

Since moving to Exmouth in 2020 the Charity has sought to establish strong links with the local community and to encourage Deaf awareness.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

Family Sign sessions (funded by WK Hutchings Charity) have proved popular and, in response to requests from the community, the intention is to provide more BSL lessons for the public. College students have been involved in providing Deaf Awareness and basic BSL training to local businesses and groups, including the Met Office, NHS and Police.

Staff and students have supported local events including Exmouth Pride, the Exmouth Movie Festival, the Exmouth Festival and the Devon County Show, providing information and signposting for Deaf awareness and BSL to the public. The Charity received the Award for Best Accessibility Stand at the Devon County Show and will be working with the Devon County Show to further improve accessibility at the show in 2025.

The Puffin Crossing Appeal raised £30,000, including match funding through a legacy donation, towards the installation of a pedestrian road crossing on Douglas Avenue, outside the Academy. The crossing came into operation in the Autumn 2024 and has benefited students, staff and local community. The Charity won the Natspec Innovation Award 2025 for Innovation in Student Voice, recognising the students' campaign to persuade the Local Authority to approve the crossing and for generating support for the fundraising appeal.

The Charity has also supported national events including hosting the BATOD (British Association of Teachers of the Deaf) and BAEA (British Association of Educational Audiologists) conference.

The Charity is committed to the greater integration of Deaf and hearing communities and seeks to raise awareness of Deafness and promote the capabilities of Deaf people through publicity, partnership working, fundraising and similar activities.

Structure, governance and management

Constitution

The Charity is a company limited by guarantee and is a registered charity. The charitable company's memorandum and articles of association are the primary governing documents of the Charity. The company registration number is 06585703, and the charity number is 1124523.

Under the provision of Section 30 of the Companies Act 2006, the company is entitled to omit the word "Limited" from its name.

The Trustees of Exeter Royal Academy for Deaf Education are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

The company is limited by guarantee and has no share capital. In the event of a winding up the liability of the members is limited to £1 each.

Trustees and Governing Body

The Charity has a Board of Trustees which meets at least four times a year. The Trustees are responsible for the governance of the Charity as a whole, with governance for specific areas delegated to Governing Bodies and Committees as set out in the Charity's Articles and Scheme of Delegation.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

The governance of the Deaf Academy is delegated to a Governing Body which meets at least three times a year and carries out a series of Learning Walks and visits. The Governing Body is chaired by a Trustee and membership comprises two additional Trustees, the Principal (ex officio Governor), two staff Governors and seven Co-opted Governors.

The governance of Rolle House is delegated to the Children's Home Governing Body which meets at least three times a year. The Children's Home Governing Body is chaired by a Trustee and the membership includes two additional Trustees.

The governance of Fearnside House is retained by the Board of Trustees. Detailed review and oversight of Fearnside House is delegated to a management committee. The Fearnside House Management Committee is chaired by a Trustee and the membership includes an additional Trustee and a Governor.

Method of recruitment and appointment or election of Trustees

The Trustees regularly review the composition of the Board, the Governing Body, the Children's Home Governing Body and its various committees, sub-committees and working groups. The Trustees look at the blend of experience and skills of all Governors and Trustees to ensure that these meet the needs of the Charity. Where vacancies arise, a formal recruitment process is undertaken. This involves advertising both locally and nationally as well as more informal approaches to individuals who have the relevant skills and experience. Selection is made after a rigorous process including visits to the Charity and interviews by senior staff and Trustees and Governors. Induction is provided to all Trustees and Governors and an induction and training programme is organised by the Governance Officer. Governors and Trustees are expected to visit regularly.

The Trustees and Governors undertake skill audits and self-evaluations on a regular basis to understand and support board performance. This enables the Charity to identify training and development needs and to provide opportunities to address them in addition to providing guidance to support the recruitment and selection of new Trustees and Governors.

Organisational structure

During the year the Charity has operated within its articles of association and supporting governance and committee structure to ensure it continues to have an effective governance framework in place.

All elements of the Charity's operations are conducted under the leadership of the Principal and CEO, supported by the Senior Leadership Team. The Senior Leadership Team consists of the Principal and CEO, the Chief Financial Officer, the Assistant Principal School, the Assistant Principal College (appointed April 2024) and the Assistant Principal Care.

Details of the key management personnel are shown on page 1.

The Trustees are responsible for determining and reviewing the pay and remuneration for members of the Senior Leadership Team.

During 2023/24 the Charity began a pay review, supported by an external agency. The pay review identified job roles and included a benchmarking exercise to identify the appropriate pay levels based on comparable roles in the Charity and Education sectors. As part of the process a framework was developed which will be used as the basis for pay reviews in subsequent years.

The Pay Review for the Senior Leadership Team, the Middle Leadership Team and all other staff roles was completed during the first term of 2024/25.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

Risk management

The Trustees are responsible for the identification and management of risks affecting the Charity and have undertaken regular reviews of the risks associated with its activities. The budget process ensures that key risks are considered and resources allocated in response to these risks. The key controls used by the Charity include:

- Formal agendas for all Trustees, Governing Bodies and Committee and Sub-committee meetings
- Detailed terms of reference for all committee meetings
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies with a clear review cycle
- Clear authorisation and approval levels
- Stringent safeguarding arrangements to protect the beneficiaries of the Charity
- Monitoring of key performance indicators

The Trustees and senior leaders regularly evaluate risk, focusing on the major aspects of operational, financial, governance, compliance and reputational risks. The work has given rise to steps and procedures to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk. The principal risks and uncertainties, together with a summary of how they are managed, are set out below:

- **National SEND, Alternative Provision and Local Authority high needs overspend/ Student recruitment and retention.** This risk recognises the potential impacts of Deaf young people being placed in inappropriate provision and pressure on fee income levels and placements due to government SEND reform and pressures on Local Authorities' spending.

Student numbers and retention is a key part of the strategic plan and is monitored by the Senior Leadership Team and the Finance and Resources Committee with regular detailed reviews by the Admissions group. Partnership work remains important and is being developed. An experienced marketing officer has been recruited to provide further capacity and expertise.

The Charity is regularly monitoring the position and in regular dialogue with Local Authorities, in particular with Devon County Council Commissioning and SEND teams and local councillors. We have staff skilled at Tribunal representation. The Charity has commenced a Fees Review which is due to be implemented in 2025/26.

The Charity is a member of the National Association of Special Schools (NASS) and the National Association of Specialist Colleges (Natspec). Both organisations lobby government for better funding and provision for SEND.

- **Workforce Capacity (Retention and Recruitment).** The risk of retaining and recruiting suitably qualified/experienced staff especially manager and leadership roles, to higher paid roles and the risk of not being able to recruit staff in sufficient numbers and at sufficient skill levels to support rising student numbers, especially as the student cohort becomes increasingly complex. Costs of living increases, increases in the minimum wage, and the more general loss of staff in the education and care sectors also have an impact on retention and recruitment risk. The Trustees have recognised that, as the Charity's workforce becomes more skilled and experienced and the Charity's reputation grows, there is an increased risk that staff will receive employment offers from other organisations. The Charity implemented a Pay review during the year which was completed by December 2024.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

Recruitment and retention risks are mitigated by enhanced recruitment approaches, improved contingency arrangements to cover staff absences and the use of Staff surveys to identify and address issues and more recently a staff wellbeing day. The HR team has been restructured, and a new senior HR advisor has been recruited to strengthen capacity in this team. A workforce development plan is being designed to support the strategic aim of being 'a great place to work'.

- **Workforce Capacity (CPD and Development)** presents a risk to the Charity due to the requirements to develop the existing workforce to meet and adapt to changing student needs and the impact on student experience. This has the potential for negative Ofsted/regulatory inspection and the retention of staff. A lack of staff CPD and development limits the ability of the Charity to improve the quality of provision and can affect student recruitment and the Charity's reputation.

CPD and development are monitored by the Senior Leadership Team and are a key area in the strategic plan. Actions taken to mitigate the risks include increasing the capacity of the BSL teaching team, increasing the CPD budget and improved CPD training, a review of new starter arrangements and induction training and the implementation of a new HR system in the Autumn of 2024.

- **Quality of Education & Care** – the risk of not maintaining improvements/quality and retaining Good Ofsted ratings. This is addressed through monitoring of the School and College Improvement plan and is reviewed regularly by Education Standards Committee and supported by our Improvement Partner. External quality assurance reviews through Challenge Partners Programme and Natspec. Care is monitored through the Children's Home Governing Body and Care and Safeguarding committee in addition to independent visitor reports.
- **Campus and building capacity** – the risk of not having sufficient capacity to meet student demand. The strategic plan envisaged that the site would reach full capacity by 2028; however, this capacity pressure may happen sooner. The risk would be no spaces available for new students (compounded by levels of complex needs, gender and age balances) or that the Charity is not able to adapt to meet student needs.

Capacity is monitored by the Senior Leadership Team and the Admissions group. The increased residential capacity at Fearnside House is now full after one year of operation. The Charity is considering how capacity could best be increased, including assessing other means of supporting students.

Other risks included on the risk register are:

- Instability of placements in the Children's Home
- Significant Safeguarding incident
- Insufficient levels of cash reserves affecting the robustness of the cashflow
- Significant failure to recognise medical needs or a failure in medical administration or support
- Significant failure in Health and Safety processes
- Significant outage/extended period of disruption of IT systems
- Significant non-compliance with GDPR regulations

Through the risk management process established by the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been adequately managed.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

Fundraising

Fundraising is an important source of income to the Charity. During 2023/24 the combined operations of the Academy, Fearnside House and the Children's Home was a deficit of £202k. The Charity has subsidised this deficit from legacy income, fundraising and from reserves.

The Charity received donations and legacies of £365k in the year (2023 - £259k) being £330k for the Fearnside House development, £35k for other capital projects including the Outdoor Classroom and the pedestrian road crossing. The Charity relies on donations to fund capital projects and provide additional services not funded by local authorities such as Sign Language weekends for families and carers of Deaf young people.

The Charity carries out fundraising through its website which contains a link to the Deaf Academy JustGiving page. The Deaf Academy JustGiving page invites private individuals and other organisations to donate or create their own fundraising page to support the Deaf Academy. Individuals also have the opportunity to make cash donations to collecting tins at events hosted by the Deaf Academy and at events hosted by other organisations at which the Deaf Academy has a presence. The Deaf Academy does not carry out door to door, street fundraising or direct mailings and does not employ any third parties to carry out fundraising activities on its behalf. Staff and students involved in events are aware of what would constitute unreasonably persistent approaches or placing undue pressure on a person for the purpose of soliciting donations at events. The Charity does not engage third party professional fundraisers.

Equality and Diversity

Respecting diversity is one of the Charity's key values and we are committed to being an inclusive organisation where diversity is celebrated and valued.

The Charity strives to create a culture where mutual cooperation, respect, dignity and Charity are fostered. The Charity will not tolerate unfair or unlawful treatment on the grounds of age, disability, gender, transgender, marital status, race, colour, ethnic origin, socioeconomic background, sexual orientation, nationality, trade union membership and activity, philosophical, political or religious beliefs or unbelief, and pregnancy or maternity.

The Charity's Equality & Diversity Policy articulates this commitment and ensures that all staff, students and volunteers are treated fairly and have equal access to learning programmes, facilities and employment opportunities.

Going concern

At the date of approval of the accounts the Charity has an adequate level of cash reserves. Fee income is stable, student numbers have increased and applications for admission to the school and college rolls are growing. The new facilities at Fearnside House enable us to plan confidently for future growth. The Trustees have reviewed the cash forecasts and commitments and are satisfied there are adequate financing arrangements in place. Taking all these factors into consideration the Trustees consider that the Charity should 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 Statement of Accounting Policies.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

Financial review

2023/24 is the fourth financial year, since moving to the new campus in Exmouth, that the Charity has achieved a surplus. Our financial performance has been helped by growth in student numbers, combined with legacy income, income from Trusts and tight cost control. The Charity has a significant annual depreciation charge, £719k in 2023/24, due to the new purpose-built Academy and its facilities.

Whilst the Charity achieved an overall surplus of £153k, the combined operations of the Academy, Fearnside House and the Children's Home is a deficit position of £202k and this position continues into 2024/25. The Academy is operating in a financial environment where local authorities' high needs budgets are under pressure combined with the impact of increases in Employer's National Insurance and National Minimum wage. The Charity continues to rely on fundraising income through Trusts and legacies to support capital improvement projects to invest and maintain the quality of the facilities and to meet the increasing demand for student places.

The cash position has remained stable with a decrease of £75k at the year end. The Charity has structured long-term loan finance with CAF Bank. In addition, the Charity will make the first loan repayment of £100k in 2024/25 for the unsecured loan repayable over a 5 year period from 2025 to 2029.

The Charity's freely available reserves are calculated at £903k at the balance sheet date which includes a generous legacy donation of £50k from a student's relative which will be used for specific purposes. The freely available reserves are made up of the unrestricted current assets and investments less unrestricted current liabilities.

The Charity's total reserves have increased by £153k during the year ended 31 August 2024. The increase is as a result of the operating surplus of £148k and the gains on investments and disposal of fixed assets of £5k.

Reserves policy

The Trustees have reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. The target level of reserves is set after considering the key risks facing the Charity and the regular financial forecasts prepared by management. The level is reviewed annually by Trustees. We aim to maintain sufficient reserves to enable us to carry on our work when faced with difficult circumstances and to adjust our strategy in response, while ensuring we maximise the resources readily available for charitable purposes. Our primary operating funding comes from local authorities and is reasonably foreseeable in the short term. This, together with the significant value of our freehold premises and expectation that we will continue as a going concern, is such that we do not provide reserves for cessation or the impact of our share of the deficits of the defined benefit pension scheme.

The Trustees consider the Charity should hold freely available reserves of at least £1m. In 22/23 the freely available reserves fell below the minimum target level due to utilising reserves in the short term for the Fearnside House development. During 2023/24 the reserves recovered due to retrospective funding for the project and legacy income. The freely available reserves at the balance sheet date of 31 August 2024 were £903k (£389k, 22/23).

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2024 (continued)

Investment policy

The objective of the investment policy is to maximise the total return of the funds whilst avoiding undue risk. The investment policy and investments held by the Charity will continue to be reviewed annually.

Investment performance

The investments are held within Common Investment Funds and are divided between Fixed Interest and Equity shares. The market value of investments at the balance sheet date was £61k. These funds have produced an income of £3k for the reporting period.

The Trustees' Report was approved by order of the Board of Trustees on 22 May 2025 and was signed on its behalf by:

Dame A Pedder OBE

Chair

Exeter Royal Academy for Deaf Education

Statement of Trustees' Responsibilities

The Trustees (who are 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education

Opinion

We have audited the financial statements of Exeter Royal Academy for Deaf Education (the 'Charity') for the year ended 31 August 2024, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Charity as at 31 August 2024 and of the Charity's net income 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.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate accounting records have not been kept by the Charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the Trustees 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the Charity and the industry/ sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we held discussions with management.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the Charity complies with laws and regulations and deals with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the Charity's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- A review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance;
- A review of Board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud and were told there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were the manipulation of the financial statements (including the risk of override of controls) and we determined that the principal risks were related to fraudulent financial reporting, in particular to fraud in revenue recognition and grant funding received.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed grant funding agreements;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

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. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

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

Use of our report

This report is made solely to the Charity'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 Charity's Members those matters we are required to state to them in an auditor's 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 Charity and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Martin Hobbs BSc ACA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Date: 22 May 2025

Exeter Royal Academy for Deaf Education

Statement of Financial Activities for the Year Ended 31 August 2024

(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Income from:				
Donations and grants	2	364,233	175,343	539,576
<i>Charitable activities:</i>				
School fees		6,480,492	-	6,480,492
Professional fees		719,059	-	719,059
Other trading activities	3	48,825	-	48,825
Investments	4	26,173	-	26,173
Other income	5	69,056	-	69,056
Total		7,707,838	175,343	7,883,181
Expenditure on:				
<i>Charitable activities:</i>				
Academy & Children's Home operations		7,626,453	47,288	7,673,741
Total	6	7,626,453	47,288	7,673,741
Net income		81,385	128,055	209,440
Transfers between funds		233,461	(233,461)	-
Other recognised gains and losses				
Gains on investment assets		3,344	-	3,344
Gains on disposal of tangible fixed assets		1,679	-	1,679
Actuarial losses on defined benefit pension schemes	23	(61,000)	-	(61,000)
Net movement in funds		258,869	(105,406)	153,463
Reconciliation of funds				
Total Funds brought forward at 1 September 2023		16,932,968	167,895	17,100,863
Total Funds carried forward at 31 August 2024		17,191,837	62,489	17,254,326

Exeter Royal Academy for Deaf Education

Statement of Financial Activities for the Year Ended 31 August 2023

(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Income from:				
Donations and grants	2	254,085	133,295	387,380
<i>Charitable activities:</i>				
School fees		5,533,411	-	5,533,411
Professional fees		443,446	-	443,446
Other trading activities	3	42,071	-	42,071
Investments	4	27,227	-	27,227
Other income	5	69,804	-	69,804
Total		6,370,044	133,295	6,503,339
Expenditure on:				
<i>Charitable activities:</i>				
Academy & Children's Home operations		6,221,523	35,610	6,257,133
Total	6	6,221,523	35,610	6,257,133
Net income		148,521	97,685	246,206
Other recognised gains and losses				
Losses on investment assets		(5,317)	-	(5,317)
Gain on disposal of tangible fixed assets		7,079	-	7,079
Actuarial gains on defined benefit pension schemes	23	1,401,000	-	1,401,000
Net movement in funds		1,551,283	97,685	1,648,968
Reconciliation of funds				
Total Funds brought forward at 1 September 2022		15,381,685	70,210	15,451,895
Total Funds carried forward at 31 August 2023		16,932,968	167,895	17,100,863

Exeter Royal Academy for Deaf Education

(Registration number: 06585703)

Balance Sheet as at 31 August 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	18,190,104	18,719,477
Investments	11	60,851	57,507
		<u>18,250,955</u>	<u>18,776,984</u>
Current assets			
Debtors	12	351,947	113,534
Cash at bank and in hand		<u>1,367,720</u>	<u>1,442,543</u>
		1,719,667	1,556,077
Creditors: Amounts falling due within one year	13	<u>(849,966)</u>	<u>(1,202,130)</u>
Net current assets		<u>869,701</u>	<u>353,947</u>
Total assets less current liabilities		19,120,656	19,130,931
Creditors: Amounts falling due after more than one year	14	<u>(1,866,330)</u>	<u>(2,030,068)</u>
Net assets excluding pension liability		17,254,326	17,100,863
Pension scheme liability	23	<u>-</u>	<u>-</u>
Net assets after pension liability		<u>17,254,326</u>	<u>17,100,863</u>
Funds:			
Restricted funds		<u>62,489</u>	<u>167,895</u>
Unrestricted funds			
Revaluation fund		90,048	87,326
Capital fund		16,198,805	16,456,186
Legacy fund		50,000	-
Other freely available reserves		852,984	389,456
		<u>17,191,837</u>	<u>16,932,968</u>
Total funds		<u>17,254,326</u>	<u>17,100,863</u>

The financial statements were approved by the Trustees, and authorised for issue on 22 May 2025 and signed on their behalf by:

.....
Mr T Collyer
Trustee

Exeter Royal Academy for Deaf Education

Statement of Cash Flows for the Year Ended 31 August 2024

	Note	2024 £	2023
Net cash flows from operating activities	18	153,304	1,465,054
Net cash flows from investing activities	19	(161,343)	(1,966,745)
Net cash flows from financing activities	20	<u>(66,784)</u>	<u>184,162</u>
(Decrease) in cash in the year	21	<u>(74,823)</u>	<u>(317,529)</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention with items being recognised at cost or transaction value unless otherwise stated in the notes to these accounts.

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), and with the requirements of the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS102.

The Charity is incorporated in England and Wales. The address of its registered office is given on page 1.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The functional and presentational currency is sterling.

Income

All incoming resources are recognised when the Charity has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations

Donations and legacies are recognised on a receivable basis where there is probability of receipt and the amount can be reliably measured.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

1 Accounting policies (continued)

Other income

Fees receivable and charges for services are accounted for in the period in which the service is provided.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Charity's educational operations.

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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under the course of construction, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

All fixed assets are initially recorded at cost, except for freehold and leasehold properties acquired before 31 August 2015. Up to and including 31 August 2015 it was the Trustees' policy to revalue freehold properties at depreciated replacement cost in the accounts due to the specialised nature of the asset as a result of the services provided by the Charity. The Trustees adopted the transitional provisions of FRS 102, which provide that companies do not have to revalue tangible fixed assets. Previous valuations have been retained as deemed cost and have not been updated.

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

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Freehold buildings	50 years straight line
Plant and equipment	20% straight line
Motor vehicles	20% straight line

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 Charity 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.

Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

The costs of operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Stock

Stock and work in progress is valued at the lower of cost or net realisable value.

Financial Instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Charity and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

1 Accounting policies (continued)

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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. Bank loans are initially measured at transaction price, including transaction costs, are subsequently carried at amortised costs using the effective interest method except to the extent that finance costs are immaterial.

Taxation

The Charity is exempt from taxation to the extent that its income and gains are applied exclusively for charitable purposes.

Pension benefits

Retirement benefits to employees of the Charity are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Charity. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity 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. As stated in the notes to the financial statements, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore 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 scheme and the assets are held separately from those of the Charity in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the prospective 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 charges, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying 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.

The Charity also operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Charity and are independently administered. The amount charged to the SOFA represents the contributions payable to the scheme in respect of the year.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Charity at the discretion of the Trustees. The Capital Fund represents the net book value of the unrestricted Fixed Assets less the loans due over more than one year.

The Charity has several restricted funds. Details of the nature of these funds are given in note 15.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Charity 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2024. 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.

2 Donations and grants

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Grants	155,357	18,772	174,129	128,486
Donations and fundraising	8,876	156,571	165,447	120,920
Legacies	200,000	-	200,000	137,974
	364,233	175,343	539,576	387,380

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Hire of facilities	4,056	-	4,056	10,043
Other income	44,769	-	44,769	32,028
	48,825	-	48,825	42,071

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

4 Investment income

	Unrestricted funds £	Total 2024 £	Total 2023 £
Bank interest receivable	23,206	23,206	18,120
Other investment income	2,967	2,967	9,107
	<u>26,173</u>	<u>26,173</u>	<u>27,227</u>

5 Other income

	Unrestricted funds £	Total 2024 £	Total 2023 £
Pupil Premium Income	9,790	9,790	8,681
Other Educational Fees	59,266	59,266	61,123
	<u>69,056</u>	<u>69,056</u>	<u>69,804</u>

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2024 £	Total 2023 £
<i>Charitable activities:</i>					
Academy & Children's Home operations					
Direct costs	4,207,297	-	348,543	4,555,840	3,393,585
Allocated support costs	1,042,217	1,244,137	831,547	3,117,901	2,863,548
	<u>5,249,514</u>	<u>1,244,137</u>	<u>1,180,090</u>	<u>7,673,741</u>	<u>6,257,133</u>

Net income for the year is after charging:

	2024 £	2023 £
Fees payable to auditor - audit services	17,865	13,423
Fees payable to auditor - other services	13,473	3,477
Operating leases	<u>73,328</u>	<u>44,929</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

7 Charitable activities

	Total 2024 £	Total 2023 £
Direct costs	4,555,840	3,393,585
Support costs	3,117,901	2,863,548
	<u>7,673,741</u>	<u>6,257,133</u>

	Total 2024 £	Total 2023 £
Analysis of educational operations support costs		
Support staff costs	1,042,217	935,679
Depreciation	718,568	644,873
Premises costs	525,569	430,115
Other support costs	831,547	852,881
Total support costs	<u>3,117,901</u>	<u>2,863,548</u>

8 Staff

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	4,382,743	3,392,970
Social security costs	379,001	276,601
Pension costs	487,770	400,471
	<u>5,249,514</u>	<u>4,070,042</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

8 Staff (continued)

The average number of persons (including senior management team) employed by the Charity during the year expressed as average headcount was as follows:

	2024 No	2023 No
Charitable Activities		
Teachers & Education Support	90	66
Care	42	30
Support, Estates, Fundraising & Marketing	34	31
	<u>166</u>	<u>127</u>

Higher paid staff

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

	2024 No	2023 No
£60,001 - £70,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>

The key management personnel of the Charity are 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 Charity was £207,888 (2023 - £194,739).

9 Trustees' remuneration and expenses

The Trustees have not received any remuneration from the charity during the year.

As permitted by the Memorandum and Articles of Association, during the year ended 31 August 2024 travel and subsistence expenses totalling £20 (2023 - £929) were reimbursed or paid directly to one trustee (2023 - one).

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

10 Tangible fixed assets

Current year	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2023	18,657,438	2,227,557	154,077	21,039,072
Additions	9,797	141,448	38,420	189,665
Disposals	-	(5,083)	(22,873)	(27,956)
At 31 August 2024	18,667,235	2,363,922	169,624	21,200,781
Depreciation				
At 1 September 2023	855,594	1,357,519	106,482	2,319,595
Charge for the year	320,579	369,665	28,324	718,568
Eliminated on disposals	-	(4,614)	(22,872)	(27,486)
At 31 August 2024	1,176,173	1,722,570	111,934	3,010,677
Net book value				
At 31 August 2024	17,491,062	641,352	57,690	18,190,104
At 31 August 2023	17,801,844	870,038	47,595	18,719,477

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

10 Tangible fixed assets (continued)

Previous year	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2022	16,892,192	2,013,233	134,638	19,040,063
Additions	1,815,246	218,022	19,439	2,052,707
Disposals	(50,000)	(3,698)	-	(53,698)
At 31 August 2023	18,657,438	2,227,557	154,077	21,039,072
Depreciation				
At 1 September 2022	571,517	1,021,564	84,953	1,678,034
Charge for the year	284,077	339,267	21,529	644,873
Eliminated on disposals	-	(3,312)		(3,312)
At 31 August 2023	855,594	1,357,519	106,482	2,319,595
Net book value				
At 31 August 2023	17,801,844	870,038	47,595	18,719,477
At 31 August 2022	16,320,675	991,669	49,685	17,362,029

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

11 Investments

Quoted Investments

	2024	2023
	£	£
Market value brought forward	57,507	64,094
Disposals	-	(1,419)
Revaluation	3,344	(5,168)
Market value carried forward	60,851	57,507
Historical cost	33,402	33,402

12 Debtors: amounts due within one year

	2024	2023
	£	£
Trade debtors	184,712	2,165
Prepayments	68,979	49,101
Other debtors	98,256	62,268
	351,947	113,534

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

13 Creditors: amounts falling due within one year

	2024 £	2023 £
Finance lease liabilities	-	8,300
Trade creditors	324,896	807,425
Other taxation and social security	87,426	66,710
Bank loans	63,638	58,384
Other loans	100,000	-
Other creditors	47,772	44,952
Accruals and deferred income	226,234	216,359
	<u>849,966</u>	<u>1,202,130</u>

The movement in deferred income for the year is as follows:

	2024 £	2023 £
At 1 September 2023	72,576	55,130
Amount deferred in the year	153,154	72,576
Amount released from previous years	(72,576)	(55,130)
At 31 August 2024	<u>153,154</u>	<u>72,576</u>

14 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Bank loans	1,466,330	1,530,068
Other loans	400,000	500,000
	<u>1,866,330</u>	<u>2,030,068</u>

Bank loans of £1,529,968 (due less than and over one year) are secured by a charge over the charity's property and due for repayment over 15 years from the first repayment date, beginning in May 2023. Other loans totalling £500,000 are unsecured and due for repayment in instalments from 2025 to 2029.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

15 Funds

Current year:	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
Restricted funds					
WK Hutchings Family Support	-	6,000	(6,000)	-	-
Andrew Kensit Cup	12,500	-	(500)	-	12,000
Audio Visual Equipment	8,175	-	(3,654)	-	4,521
ICT Suite	15,095	-	(7,280)	-	7,815
Residential Flats	9,000	-	(4,500)	-	4,500
School Classroom	6,164	-	(3,082)	-	3,082
Dorothy Hird Trust	4,000	-	(1,000)	-	3,000
Margaret Ann Robinson Award	9,500	-	(500)	-	9,000
Adult Residential and Bradbury Learning Centre	103,461	132,000	(2,000)	(233,461)	-
Outdoor Classroom	-	15,000	(3,000)	-	12,000
Pedestrian Road Crossing	-	6,571	-	-	6,571
Vibrating Backpacks	-	3,000	(3,000)	-	-
Other restricted funds	-	12,772	(12,772)	-	-
Total restricted funds	167,895	175,343	(47,288)	(233,461)	62,489
Unrestricted funds					
Revaluation fund	87,326	-	-	2,722	90,048
Other unrestricted funds	16,845,642	7,707,838	(7,626,453)	174,762	17,101,789
Total unrestricted funds	16,932,968	7,707,838	(7,626,453)	177,484	17,191,837
Total funds	17,100,863	7,883,181	(7,673,741)	(55,977)	17,254,326

The restricted funds are set up for the following purposes:

WK Hutchings Family Support – To enable sign language weekends to be delivered to families and friends of Deaf children and professionals who work with Deaf children. To provide transitional support for student leavers.

Andrew Kensit Cup – In memory of student Andrew Kensit, each year a student will be awarded the Cup and a bursary.

Dorothy Hird Trust – To provide the ‘sensory nook’ at the Children’s Home.

Adult Residential and Bradbury Learning Centre – To enable the creation of a visionary new residential provision, Fearnside House and Bradbury Learning Centre as an extension to the main campus, giving our young adult students the support they need to prepare them for independent living and work.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

15 Funds (continued)

Margaret Ann Robinson Award – In memory of Margaret Ann Robinson, each year a student who has helped others or the local community will receive an award from the fund.

Outdoor Classroom – To provide an accessible outside classroom space. This space increases the classroom capacity and allows learning during all weather conditions. Students can also access the outdoor classroom for social activities during break times.

Pedestrian Road Crossing – To contribute to the cost of improving road safety outside the Academy gates along Douglas Avenue. The puffin crossing includes high friction road surfacing and advanced warning signing on both approaches. It also has visual, tactile and audible pedestrian indicators to help staff, students and other road users to cross safely.

Vibrating Backpacks – To enable our students to experience the world of music. The backpacks are equipped with vibrational sensors so students can experience music and sound through the vibrations and appreciate the sound effects in films and live performances.

Other restricted funds – Various smaller projects, mainly in connection with video technology, ICT, sports & PE, sailing and curriculum activities.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

15 Funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Previous year:					
Restricted funds					
WK Hutchings Family Support	-	6,000	(6,000)	-	-
Andrew Kensit Cup	13,000	-	(500)	-	12,500
Audio Visual Equipment	11,829	-	(3,654)	-	8,175
ICT Suite	21,840	-	(6,745)	-	15,095
Residential Flats	13,500	-	(4,500)	-	9,000
School Classroom	9,246	-	(3,082)	-	6,164
Dorothy Hird Trust	-	5,000	(1,000)	-	4,000
Margaret Ann Robinson Award	-	10,000	(500)	-	9,500
Adult Residential Learning centre	-	103,461	-	-	103,461
Other restricted funds	795	8,834	(9,629)	-	-
Total restricted funds	70,210	133,295	(35,610)	-	167,895
Unrestricted funds					
Revaluation fund	93,026	-	-	(5,700)	87,326
Other unrestricted funds	15,288,659	6,370,044	(6,221,523)	1,408,462	16,845,642
Total unrestricted funds	15,381,685	6,370,044	(6,221,523)	1,402,762	16,932,968
Total funds	15,451,895	6,503,339	(6,257,133)	1,402,762	17,100,863

The restricted funds are set up for the following purposes:

WK Hutchings Family Support - To enable sign language and support to be delivered to families and to support keeping in touch with students, supporting our Online Academy and transitional support for student leavers.

Andrew Kensit Cup - In memory of student Andrew Kensit, each year a student will be awarded the Cup and a bursary.

Dorothy Hird Trust – To provide the “sensory nook” at the children’s home.

Adult Residential & Learning Centre – To enable a visionary new residential provision as an extension to the main campus, giving our young adult students the support they need to prepare them for independent living and work.

Margaret Ann Robinson Award – In memory of Margaret Ann Robinson, each year a student who has helped others or the local community will receive an award from the fund.

Other restricted funds - various smaller projects mainly in connection with video technology, ICT, Sensory Pod, Sports & PE and Literacy.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2024 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	18,155,183	34,921	18,190,104
Investments	60,851	-	60,851
Current assets	1,692,099	27,568	1,719,667
Current liabilities	(849,966)	-	(849,966)
Creditors due after more than one year	(1,866,330)	-	(1,866,330)
Total net assets	17,191,837	62,489	17,254,326

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	18,573,580	145,897	18,719,477
Investments	57,507	-	57,507
Current assets	1,534,079	21,998	1,556,077
Current liabilities	(1,202,130)	-	(1,202,130)
Creditors due after more than one year	(2,030,068)	-	(2,030,068)
Total net assets	16,932,968	167,895	17,100,863

Freely Available Reserves

The freely available reserves for the charity represent unrestricted net current assets and investments. The freely available reserves at 31 August 2024 were £902,984 (2023: £389,456).

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

17 Commitments under operating leases

Operating leases

At 31 August 2024 the Charity had total future commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2024	2023
	£	£
Within one year	74,084	69,837
After more than one year but within five years	191,558	205,403
After more than five years	549,254	591,265
	<u>814,896</u>	<u>866,505</u>

18 Reconciliation of net income to net cash flows from operating activities

	2024	2023
	£	£
Net income	209,440	246,206
Depreciation	718,568	644,873
Investment income	(26,173)	(27,227)
Difference between pension scheme charges and contributions paid	(61,000)	34,000
(Increase)/decrease in debtors	(238,413)	339,669
(Decrease)/increase in creditors	(449,118)	227,533
Net cash flows from operating activities	<u>153,304</u>	<u>1,465,054</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

19 Cash flows from investing activities

	2024 £	2023 £
Purchase of tangible fixed assets	(189,665)	(2,052,707)
Proceeds from the sale of tangible fixed assets	2,149	57,465
Proceeds from the sale of investments	-	1,270
Investment income	26,173	27,227
Net cash flows from investing activities	(161,343)	(1,966,745)

20 Cash flows from financing activities

	2024 £	2023 £
Proceeds from borrowings	-	1,600,000
Repayment of borrowings	(58,484)	(1,411,548)
Repayment of finance lease liabilities	(8,300)	(4,290)
Net cash flows from financing activities	(66,784)	184,162

21 Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	Non-cash changes £	At 31 August 2024 £
Cash at bank and in hand	1,442,543	(74,823)	-	1,367,720
Loans falling due within one year	(58,384)	-	(105,254)	(163,638)
Loans falling due after more than one year	(2,030,068)	58,484	105,254	(1,866,330)
Finance lease liabilities	(8,300)	8,300	-	-
	(2,096,752)	66,784	-	(2,029,968)
	(654,209)	(8,039)	-	(662,248)

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

22 Members' liability

The company is limited by guarantee and has no share capital. In the event of a winding up the liability of the members is limited to £1 each.

23 Pension and similar obligations

The Charity's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-teaching staff, and Aegon. Both the TPS and the LGPS are multi-employer defined benefit schemes; Aegon is a defined contribution pension scheme.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £62,344 were payable to the schemes at 31 August 2024 (2023: £46,290) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- 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 result of this valuation was implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

23 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the year amounted to £196,503 (2023 - £134,859).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charity is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Charity has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charity has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £146,000 (2023 - £144,000), of which employer's contributions totalled £122,000 (2023 - £120,000) and employees' contributions totalled £24,000 (2023 - £24,000). The agreed contribution rates for future years are 22.3% for employers plus an additional top up for the past service deficit of £45,000 per annum and 5.5% to 12.5% for employees.

Principal actuarial assumptions

	At 31 August 2024 %	At 31 August 2023 %
Rate of increase in salaries	3.85	3.90
Rate of increase for pensions in payment/inflation	2.85	2.90
Discount rate for scheme liabilities	5.05	5.30

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

	At 31 August 2024	At 31 August 2023
Retiring today		
Males retiring today	21.4	21.4
Females retiring today	22.7	22.6
Retiring in 20 years		
Males retiring in 20 years	22.7	22.7
Females retiring in 20 years	24.1	24.0

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

23 Pension and similar obligations (continued)

Sensitivity analysis on present value of scheme obligations

	At 31 August 2024 £	At 31 August 2023 £
Discount rate +0.1%	9,812,000	9,229,000
Discount rate -0.1%	10,160,000	9,551,000
Mortality assumption + 1 year increase	10,293,000	9,687,000
Mortality assumption – 1 year decrease	9,685,000	9,099,000
CPI rate +0.1%	10,153,000	9,544,000
CPI rate -0.1%	9,819,000	9,236,000

The actual return on scheme assets was positive £1,167,000 (2023 – positive £263,000).

Amounts recognised in the statement of financial activities

	2024 £	2023 £
Current service cost	57,000	93,000
Net interest (income)/cost	(3,000)	56,000
Admin expenses	7,000	5,000
Total amount recognised in the SOFA	61,000	154,000

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

	2024 £	2023 £
At start of period	9,388,000	10,944,000
Current service cost	57,000	93,000
Interest cost	484,000	456,000
Admin expenses	7,000	5,000
Employee contributions	24,000	24,000
Actuarial loss/(gain)	354,000	(2,070,000)
Change in demographic assumptions	(21,000)	(742,000)
Experience (gain)/loss on defined benefit obligations	(47,000)	911,000
Benefits paid	(262,000)	(233,000)
At 31 August	9,984,000	9,388,000

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

23 Pension and similar obligations (continued)

Changes in the fair value of Charity's share of scheme assets:

	2024 £	2023 £
At start of period	9,613,000	9,577,000
Interest income	499,000	400,000
Actuarial gain/(loss)	661,000	(275,000)
Employer contributions	122,000	120,000
Employee contributions	24,000	24,000
Benefits paid	(262,000)	(233,000)
At 31 August	10,657,000	9,613,000
(Surplus)	(673,000)	(225,000)

As at 31 August 2024, the actuarial valuation for the Charity includes a surplus totalling £673,000 (2023: £225,000). This surplus has not been recognised within the financial statements.

High UK corporate bond yields have resulted in high accounting discount rates which contributed to the closing surplus position. There is no specific guidance in FRS 102 in relation to surplus balances, therefore reference has been made to IAS 19. This requires any surplus recognition to be limited to the present value of economic benefits available in the form of either refunds or reduced future contributions (the asset ceiling).

The right to a refund would occur in the form of a credit payable to the Charity, for example on exiting the pension fund. Whether any refund is provided is governed by Regulation 64 of the 2013 Local Government Pension Scheme Regulations and set out in the specific local authority funding strategy statement. The payment of this credit is at the discretion of the local authority based on a variety of pre-determined factors. Given there are no circumstances to suggest an exit from the fund and the determination of any credit is outside the control of the Charity, there is no basis to recognise any surplus.

With regards to reduced contributions, IAS 19 references minimum funding requirements used by certain schemes which limit the scope for contribution reductions. The LGPS administering authority must obtain a rates and adjustments certificate every three years that shows the contributions to be paid by each employer to the pension fund for the following three years, thereby limiting the availability of any contribution reductions. Additionally, the local authority funding strategy statement provides for potential reductions in future contributions, but these would be at the discretion of the local authority with, in the majority of cases, academies being part of a stabilisation approach which sets a limit on any change to contributions e.g. to 1% of pay per year. This suggests minimum funding requirements are applicable to the Charity as determined by IAS19. When actuary asset ceiling calculations assume that minimum funding requirements exist, they provide an asset ceiling value of £Nil.

Based on the above, it cannot be determined that a flow of future benefits is probable therefore no asset has been recognised.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2024 (continued)

23 Pension and similar obligations (continued)

Aegon Pension Scheme

The Aegon Pension Scheme is a defined contribution scheme. The total contribution made for the year ended 31 August 2024 was £306,748 (2023 - £222,472), of which employer's contributions totalled £236,706 (2023 - £172,133) and employees' contributions totalled £70,042 (2023 - £50,339).

24 Related party transactions

During the year the Charity made payments totalling £2,700 (2023 - £2,779) to Kitson Boyce LLP, an LLP of which one of the Trustees is a partner. At the year end, a balance of £Nil (2023 - £Nil) was owed to Kitson Boyce LLP.

Royal Deaf Education Trust

England & Wales - Charity number 1124523

Accounts



Annual report and consolidated financial statements

For the period 1 September 2022 to 31 August 2023

Exeter Royal Academy for Deaf Education

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Exeter Royal Academy for Deaf Education

Reference and Administrative Details

Trustees (Directors)

Mr A Alexander

Dr M Collie (appointed 19 October 2023)

Mr A Collyer, Honorary Treasurer

Mr R Davey

Mr J Dewhirst

Mr C Hampton II (resigned 6 September 2022)

Dr J Harvey, Vice Chair (resigned 31 August 2023)

Mrs S Papworth (appointed 9 February 2023)

Dame A Pedder OBE, Chair

Mr D Robertson, Vice Chair (1 September 2023)

Mr R Spencer

Ms J Stephens (appointed 4 May 2023)

Company Secretary

Mrs C Quick

Key Management Personnel

Mr S Dewing, Principal

Mrs C Quick, Director of Finance & Resources

Principal and Registered Office

The Deaf Academy
1 Douglas Avenue
Exmouth
EX8 2AU

Company Registration Number

06585703

Exeter Royal Academy for Deaf Education

Reference and Administrative Details

Independent Auditors

PKF Francis Clark
Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Bankers

National Westminster Bank Plc
59 High Street
Exeter
Devon
EX4 3DP

Charities Aid Foundation (CAF Bank)
PO Box 861
Ipswich
IP1 9LW

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditor's 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 Charity, Exeter Royal Academy for Deaf Education, operates a non-maintained, residential special school and an independent specialist college for students aged 5 to 25 years (the Deaf Academy). Students are placed at the Deaf Academy by local authorities in England, Scotland and Wales. The Charity also operates a Children's Home for deaf young people (Rolle House).

Structure, governance and management

Constitution

The Charity is a company limited by guarantee and is a registered charity. The charitable company's memorandum and articles of association are the primary governing documents of the Charity. The company registration number is 06585703, and the charity number is 1124523.

Under the provision of Section 30 of the Companies Act 2006, the company is entitled to omit the word "Limited" from its name.

The Trustees of Exeter Royal Academy for Deaf Education are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

The company is limited by guarantee and has no share capital. In the event of a winding up the liability of the members is limited to £1 each.

Trustees and Governing Body

The Charity has a Board of Trustees which meets at least four times a year. Governance of the Academy is delegated to a Governing Body which meets at least three times a year and Governance of Rolle House is delegated to the Children's Home Governing Body which meets at least three times a year. The Trustees remain responsible for the governance of the Charity as a whole.

Method of recruitment and appointment or election of Trustees

The Trustees regularly review the composition of the Board, the Governing Body, the Children's Home Governing Body and its various committees, sub-committees and working groups. The Trustees look at the blend of experience and skills of all Governors and Trustees to ensure that these meet the needs of the Charity. Where vacancies arise, a formal recruitment process is undertaken. This involves advertising both locally and nationally as well as more informal approaches to individuals who have the relevant skills and experience. Selection is made after a rigorous process including visits to the Charity and interviews by senior staff and Trustees and Governors. Induction is provided to all Trustees and Governors and an induction and training programme is organised by the Governance Officer. Governors and Trustees are expected to visit the School and College regularly.

The Trustees and Governors undertake skill audits and self-evaluations on a regular basis to understand and support board performance. This enables the Charity to identify training and development needs and to provide opportunities to address them in addition to providing guidance to support the recruitment and selection of new Trustees and Governors.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2023

Organisational structure

During the year the Charity has operated within its articles of association and supporting governance and committee structure to ensure it continues to have an effective governance framework in place.

All elements of the Charity's operations are conducted under the leadership of the Principal, supported by the Senior Leadership Team. The changing student profile, greater stability and increased organisational maturity have resulted in the need to make changes to the organisational structure of the Charity. A review of the organisational structure has led to changes in the management structure to better meet current needs and add an element of future proofing. Members of the Senior Leadership Team appointed during the 2022/23 academic year have settled into their roles and focused on curriculum development and continuing to build capacity within the middle management team. This has resulted in some new appointments which have given great depth of knowledge and key skills to strengthen our work and prepare for future development. Details of the key management personnel are shown on page 1.

The Trustees are responsible for determining and reviewing the pay and remuneration for these staff and use benchmark information from both the education and charity sectors to do this.

Risk management

The improved approach to the assessment, reporting and management of risk at all levels of the organisation introduced in 2021/22 has developed and embedded within the organisation. Trustees' discussion and understanding of the key risks is facilitated by this improved approach increasing visibility and the strategic management of risk. Furthermore, the budget process ensures that key risks are considered and resources are allocated in response to these risks.

The Trustees are responsible for the management of risks affecting the Charity and have undertaken a review of risks associated with its activities. The key controls used by the Charity include:

- Formal agendas for all Trustees, Governing Body and sub-committee meetings
- Detailed terms of reference for all committee meetings
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Stringent safeguarding arrangements to protect the beneficiaries of the Charity
- Monitoring of key performance indicators

The Trustees and senior leaders have undertaken a review and analysis of risk, focusing on the major aspects of operational, financial, governance, compliance and reputational risk. The work has given rise to steps and procedures to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk.

The principal risks and uncertainties, together with a summary of how they are managed are set out below:

- National SEND (Special Educational Needs and Disabilities), Alternative Provision and Local Authority high needs funding overspend – risk of deaf students being placed in inappropriate provision and pressure on income levels - Close liaison with local authorities, explore alternative funding models, staff skilled at Tribunal representation.
- Workforce Capacity - Recruiting and retaining suitably qualified/experienced staff - capacity requirements, vacancies and development needs are regularly assessed by the Senior

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2023

Leadership Team. Key oversight is provided by the Finance and Resources sub committee and regularly reported to the Governing Body and Board of Trustees. Development/Recruitment/Retention/CPD/Training/Leadership - Pay Review completed in 2022/23. Review of effectiveness of recruitment approaches (relocation package, staff referrals scheme, targeted campaigns) Wellbeing initiatives. Development of Workforce Development plan. Monitoring of staff survey results. Strategic Plan Focus 'Ensuring the Charity is a great place to work'.

- Quality of Care – Residential (Improvement/OFSTED Grading) Strengthening overall Quality Assurance arrangements of Residential Care provision. New leadership structure agreed.
- Quality of Education – Risk of not sufficiently improving quality of provision in post 19 to achieve a Good Ofsted rating - Monitoring of Ofsted action plans, enhanced external support and coaching, enhanced quality assurance, review and monitoring of leadership and management.
- Children's Home – Instability of existing placements/Risk of not recruiting additional planned resident - Several enquiries for placements. Positive feedback from Independent visitor from monthly visits. Support from NDCAMHS (National Deaf Children and Adolescent Mental Health Service). Close liaison with LA funders, focus on quality of provision and good fit placements, oversight by Children's Home Governing Body and Trustees.
- Failure of Safeguarding of students resulting in a significant incident – Continuous monitoring and review. Well-resourced safeguarding team. Independent external reviews.
- Adverse inspection by regulators, including Ofsted – regular and close scrutiny of all aspects of performance by sub-committees of the Board of Trustees, the Academy Governing Body and Children's Home Governing Body. Ongoing review by external independent advisors, commissioned by the organisation.
- Campus building and capacity – regular capacity review, estates strategy and development plan.
- Financial Risk – The Charity undertakes regular financial reporting and planning, including the preparation of a long term financial plan and detailed cashflow. Financial reports are reviewed by the Trustees at their meetings, and by the appointed sub-committee. The Trustees set a financial reserves policy to ensure adequate short term liquidity.
- Student Recruitment and retention – low/insufficient recruitment of students – regular monitoring of enquiries and admissions through the Admissions Group, together with regular scrutiny of the Marketing & Communication Quality Improvement Plan at committee level. The Finance and Resources sub Committee oversees performance on behalf of the Governing Body and Trustees.

Through the risk management process established by the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives and activities

Objects and aims

The Charity's objects, which were revised with the permission of the Charity Commission in 2008, are as follows:

- to provide education, training, care, accommodation, leisure opportunities, welfare and other support services to deaf people and people who are not deaf but who, due to some other

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2023

disability, would benefit from the same (principally though not exclusively from the counties of Devon, Cornwall, Somerset and Dorset) with the object of developing their personal, mental, physical and spiritual capacities so that they may realise their full potential as individuals and members of their communities and society as a whole and so that their condition of life may be improved; and

- to educate the general public in the needs and capabilities of deaf people with a view to achieving greater integration between deaf and hearing communities.

Objectives, strategies and activities

Our vision is to be an outstanding provider of Education, Support and Care for Deaf young people with additional and complex needs and a centre of excellence for Education, Care and Support for Deaf young people with additional and complex needs, including research, sharing best practice, and providing information to the wider Deaf/Special Needs (SEN) sector. We will be a champion in promoting and celebrating the diversity of the Deaf cultural and linguistic community in all its forms and tackling discrimination where it occurs.

Our mission is to nurture and grow Deaf young people with a real sense of belonging who are confident, resilient, and independent, supporting their development of robust behaviours, knowledge and skills to live happily in the wider world. This informs everything across Education, Care, Support and the whole Academy. We embrace the diversity of both our young people's communication needs and special educational needs and support them on a journey towards a strong sense of self and a clear personal identity.

We provide the following Ofsted registered services:

- The Deaf Academy
 - School 9-16 Middle and Upper school (Non-maintained Special School status)
 - College (sixth form) 16-18 (Non-maintained Special School status)
 - College (adult) 19-25 (Specialist Independent Provider status)
 - Residential Care 37 beds
- Fearnside House - 10 bed adult residential care and preparation for adulthood learning centre, opened September 2023.
- Rolle House - Children's Home for up to four young people

The Deaf Academy, Fearnside House and Rolle House are unique provisions in the UK, offering a specialist curriculum, teaching, support and residential care to Deaf young people, the majority of whom have accompanying additional or complex needs. This is a fantastic place for young people to learn, develop and be part of a diverse Deaf multilingual community. Our aim is to develop empowered, confident young people who are equipped to embark into adulthood with aspiration, skills and resilience.

We encourage our young people to explore their passions and develop a strong Deaf identity, while also supporting them to achieve educationally. We offer a truly bilingual environment, where our students learn both British Sign Language and English depending on their needs.

Public benefit

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2023

The Charity provides specialist deaf education which benefits the students who attend the Academy's School & College. Admission to the School & College is open to any student for whom the specialist education has been professionally assessed as appropriate to meet their needs. Fees are charged to allow costs to be recovered, these are usually funded by local authorities and the Education and Skills Funding Agency. Local Authorities benefit as the Charity enables them to meet their statutory responsibilities to educate children with hearing impairment. The families of the Academy's students also benefit from the support given to them and from the greater wellbeing and achievement of their child.

The wider community benefits because many of the Academy's students participate in work-placements and other events in the community, raising awareness of deafness. The Charity has taken an active part in supporting and sponsoring local events, including the Exmouth Festival and the Exmouth Business Awards.

The Charity is committed to the greater integration of deaf and hearing communities and seeks to raise awareness of deafness and promote the capabilities of deaf people through publicity, partnership working, fundraising and similar activities.

Fundraising

The Deaf Academy carries out fundraising through its website which contains a link to the Deaf Academy JustGiving page. The Deaf Academy JustGiving page invites private individuals and other organisations to donate or create their own fundraising page to support the Deaf Academy. Individuals also have the opportunity to make cash donations to collecting tins at events hosted by the Deaf Academy and at events hosted by other organisations at which the Deaf Academy has a presence. The Deaf Academy does not carry out door to door, street fundraising or direct mailings and does not employ any third parties to carry out fundraising activities on its behalf. Staff and students involved in events are aware of what would constitute unreasonably persistent approaches or placing undue pressure on a person for the purpose of soliciting donations at events. The Charity does not engage third party professional fundraisers. The Deaf Academy complies, and is registered, with the Fundraising Regulator.

Equality and Diversity

Respecting diversity is one of the Charity's key values and we are committed to being an inclusive organisation where diversity is celebrated and valued.

The Charity strives to create a culture where mutual cooperation, respect, dignity and trust are fostered. The Charity will not tolerate unfair or unlawful treatment on the grounds of age, disability, gender, transgender, marital status, race, colour, ethnic origin, socioeconomic background, sexual orientation, nationality, trade union membership and activity, philosophical, political or religious beliefs or unbelief, and pregnancy or maternity.

The Charity's Equality & Diversity Policy articulates this commitment and ensures that all staff, students and volunteers are treated fairly and have equal access to learning programmes, facilities and employment opportunities.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2023

Strategic Report

Achievements and performance

Operational performance

It continues to be a delight to see how much our students appreciate the facilities they have and the benefit this has created for them in so many ways.

The Deaf Academy and Rolle House are now fully established as part of the Exmouth community. Our purpose-built Academy designed with the help of specialists experienced in creating Deaf friendly spaces continues to be a triumph. It acts as a magnet attracting student referrals, new staff to our service and as a reference site for organisations seeking to understand the impact of the designed environment on Deaf people. Our education facilities and residential care accommodation are excellent and provide a splendid environment within which our students and staff can flourish.

Our growth in student numbers has continued to be ahead of predicted growth. The review of capacity and options for expansion was commissioned in 2021/22 and resulted in a proposal to develop a Post 19 Centre close to the Deaf Academy but offsite to enable a more differentiated offer to our young adults preparing them for more independent living. Using a combination of reserves, legacies and fundraising, a former convent building was purchased and converted to create a 10 bedroom Adult Residential and Learning Centre called Fearnside House which opened in September 2023.

Excellent progress has been made throughout 2022/23 and the commitment of our expanded staff teams has remained resolute. As with many parts of the education and care sector, recruitment has been more difficult than previous years and new and innovative approaches have been taken to recruit and retain staff. Consequently, we have successfully recruited to the additional roles created to build our capacity to meet the increasing demand for our service. Trustees are very grateful to our staff and senior leadership team who work ceaselessly to ensure our young people flourish, enjoy being children and young people and are helped to reach their full potential.

A key feature of 2022/23 was adding additional external quality assurance support to education. This included using external coaches and a School Improvement Partner. In addition, annual reviews by NATSPEC (National Association of Specialist Colleges) and Challenge Partners helped to further enhance quality assurance approaches. This combined with new appointments led to effective development of areas of improvement and curriculum across School and College. Furthermore, a key structural approach was the restructuring and redefining of curriculum in both School and College provision and timetabling and integration of therapeutic provision.

During 2022/23 the Academy had four formal Ofsted inspections. Residential Care was inspected in October 2022 and dropped a grade from Good to Requires Improvement. In February 2023, School and Sixth Form were inspected (the first full inspection since 2019) and achieved a fantastic outcome for Good overall with two areas of Outstanding practice. Although work continues, this marked a milestone for the Charity in securing our first ever Outstanding subgrades in an Ofsted report. This was an incredible achievement and a result of much hard work from the educational leadership team. In May there was a monitoring visit of post 19 provision which resulted in a very good outcome of reasonable progress in all areas. In November 2023, Rolle House (Children's Home) was re-inspected and increased its grade from Good to Outstanding. Inspectors commented that 'children feel like they belong in the home and are nurtured and cared for to a high standard'. They recognised that 'the manager's positive parenting style is having a significant impact on children's progress and well-being'. This is the first Outstanding grade achieved for the Children's Home.

Led by our ambitious and passionate leadership team and supported by committed staff the Charity's improvement trajectory continues. The Academy's reputation as a place of excellence in education and

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2023

care for deaf young people is growing and continues to build national prominence for the quality and innovation of the education and care it offers.

Our particular thanks and appreciation go to our Senior Leadership Team, our education, care and support colleagues for the hard work, dedication and resilience they continue to demonstrate and for the pride and joy they have in the success of our young people. This year Trustees would like to say a special thank you to our staff who work in the charity's support functions, Estates, Finance, HR, IT, catering, cleaning, and administrative support, for all the work they do behind the scenes to ensure everything is commissioned on time and works effectively. These are complex tasks when successfully implemented and are rarely noticed because they work so well, but we all know how key they are to enable the rest of our service to perform well.

The Trustees are very grateful to the many organisations and individuals who generously contributed funds which made the completion of our new Academy and Fearnside House possible and who continue to support us. We have benefited in year from a number of substantial legacies and we are particularly grateful to those individuals and families who name the Deaf Academy in their wills.

We would like to thank the community of Exmouth their continued support and encouragement they provide to our student community. Our young people are welcomed and feature in so many community events and it is uplifting to see how our pride in them, and their achievements are shared by people in our wider community. Our students are ambassadors for the charity, the Deaf Academy and for the Deaf Community, every year we see them grow in aspiration and achievement to become proud young deaf people embedded in a caring community and widening their aspirations and achievements.

Future activities

The year 2022/23 has been one of development and embedding the tremendous improvement and quality initiatives our staff and the senior leadership team have put in place to ensure our provision becomes best in class. There remains more work to do but we are building on strong foundations, reflecting, learning, and improving to ensure Deaf young people get the best possible outcomes. Any organisation must look forward to ensure it continues to identify potential opportunities and risks and to build strategy that is robust and responsive. Led by the Principal, our revised 5 year forward looking Strategic Plan was published in early 2024.

The strategic plan identifies 6 strategic priorities:

1. Redesigning our provision to better meet the changing needs of our students
2. Securing and maintaining high quality in all aspects of our provision
3. Becoming a research and professional development and training hub for professionals working for Deaf children with additional and complex needs
4. Maintaining a financial surplus, reinvesting in our staff, facilities and resources
5. Creating significant impact regionally and locally via the promotion of our wider charity objectives (raising awareness/promotion, tackling discrimination, campaigning, research and development and bespoke professional and non-professional training)
6. Ensuring the Charity is a great place to work

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2023

Going concern

At the date of approval of the accounts the Charity has an adequate level of cash reserves. Fee income is strong, student numbers have increased and applications for admission to the school and college rolls are growing. The new facilities at Fearnside House enable us to plan confidently for future growth. The Trustees have reviewed the cash forecasts and commitments and are satisfied there are adequate financing arrangements in place. Taking all these factors into consideration the Trustees consider that the Charity should 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 Statement of Accounting Policies.

Financial review

This is the third year, since moving to the new campus in Exmouth, that the Charity has achieved an operating surplus. Our financial performance has been helped by strong student numbers which have exceeded expectations, combined with legacy income, income from Trusts and tight cost control. The Charity has a significant annual depreciation charge, £645k in 2022/2023, due to the new purpose-built Academy and its facilities. Overall, our cash position decreased by £318k in the year due to the investment in increased capacity through the purchase of the Adult Learning and Residential Centre, Fearnside House. In May 2023, the Charity was successful in re-financing the £1.4m short term interest only loan to a 15-year capital repayment loan of £1.6m. The re-financed loan has improved terms and supports longer term financial stability for the Charity.

The Group's freely available reserves are calculated at £389k at the balance sheet date. The freely available reserves are made up of the unrestricted current assets, including investments, less unrestricted current liabilities.

The Group's total reserves have increased by £1.6m during the year ended 31 August 2023. This is mainly due to a £1.4m reduction the Local Government Pension Scheme liability as a result of a change in application of financial assumptions. Reserves have also increased as a result of the operating surplus of £246k and the gains on investments and disposal of fixed assets of £2k.

Reduction in pension liabilities

As noted above there has been a reduction in the Local Government Pension Scheme liability which has increased the total reserves of the Charity. The liability is calculated annually by the actuary using a discount rate based on bond yields, as required by Accounting Standard FRS102. Bond yields increased at 31 August 2023 compared to the previous year and this caused a corresponding reduction in the calculated pension liability.

It is not possible to predict what might happen to yields used for future valuations but if they return to levels seen in previous years, we may well see another swing in results but in the opposite direction. However, it is important to note that this change in pension liability is not a basis for calculating the funding requirements of the scheme. Funding requirements are based on the triennial valuations prepared by the scheme actuary who set the contribution levels for current service and to recover any deficit on past service costs.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2023

Reserves policy

The Trustees have reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. The target level of reserves is set after considering the key risks facing the Charity and the regular financial forecasts prepared by management. The level is reviewed annually by Trustees. We aim to maintain sufficient reserves to enable us to carry on our work when faced with difficult circumstances and to adjust our strategy in response, while ensuring we maximise the resources readily available for charitable purposes. Our primary operating funding comes from local authorities and is reasonably foreseeable in the short term. This, together with the significant value of our freehold premises and expectation that we will continue as a going concern, is such that we do not provide reserves for cessation or the impact of our share of the deficits of the defined benefit pension scheme.

The target level of reserves is between £500k to £750k. The freely available reserves at the balance sheet date of 31 August 2023 was £389k. The freely available reserves at the year end was lower than the minimum target level due to the Charity utilising more reserves than planned to complete the works required for Fearnside House and the pressure caused by the short timescale for the fundraising campaign.

Investment policy

The objective of the investment policy is to maximise the total return of the funds whilst avoiding undue risk. No additional funds have been placed into investments during the period. The investment policy and investments held by the Charity will continue to be reviewed annually.

Investment performance

The investments are held within Common Investment Funds and are divided between Fixed Interest and Equity shares. The market value of investments at the balance sheet date was £57k. These funds have produced an income of £2.8k for the reporting period.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees on 8 February 2024 and was signed on its behalf by:

Dame A Pedder OBE

Chair

Exeter Royal Academy for Deaf Education

Statement of Trustees' Responsibilities

The Trustees (who are 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

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

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education

Opinion

We have audited the financial statements of Exeter Royal Academy for Deaf Education (the 'Charity') and its subsidiaries (the 'Group') for the year ended 31 August 2023, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Group and the Charity as at 31 August 2023 and of the Group's net income 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.

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 Auditor's 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 UK, including the FRC'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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate accounting records have not been kept by the Charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, the Trustees 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the group and the industry/ sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we held discussions with management.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the group complies with laws and regulations and deals with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- A review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.;
- A review of Board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud and were told there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were the manipulation of the financial statements (including the risk of override of controls) and we determined that the principal risks were related to fraudulent financial reporting, in particular to fraud in revenue recognition and grant funding received.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed grant funding agreements;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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 auditor's report.

Use of our report

This report is made solely to the Charity'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 Charity's Members those matters we are required to state to them in an auditor's 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 Charity and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Hobbs BSc ACA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Date: 12 February 2024

Exeter Royal Academy for Deaf Education

Consolidated Statement of Financial Activities for the Year Ended 31 August 2023 *(including Income and Expenditure Account)*

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Income from:				
Donations and grants	2	254,085	133,295	387,380
<i>Charitable activities:</i>				
School fees		5,533,411	-	5,533,411
Professional fees		443,446	-	443,446
Other trading activities	3	42,071	-	42,071
Investments	4	27,227	-	27,227
Other income	5	69,804	-	69,804
Total		6,370,044	133,295	6,503,339
Expenditure on:				
<i>Charitable activities:</i>				
Academy & Children's Home operations		6,221,523	35,610	6,257,133
Total	6	6,221,523	35,610	6,257,133
Net income		148,521	97,685	246,206
Other recognised gains and losses				
Losses on investment assets	11	(5,317)	-	(5,317)
Gains on disposal of tangible fixed assets		7,079	-	7,079
Actuarial gains on defined benefit pension schemes	23	1,401,000	-	1,401,000
Net movement in funds		1,551,283	97,685	1,648,968
Reconciliation of funds				
Total Funds brought forward at 1 September 2022		15,109,303	70,210	15,179,513
Total Funds carried forward at 31 August 2023		16,660,586	167,895	16,828,481

Exeter Royal Academy for Deaf Education

Consolidated Statement of Financial Activities for the Year Ended 31 August 2022 *(including Income and Expenditure Account)*

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Income from:				
Donations and grants	2	395,148	19,062	414,210
<i>Charitable activities:</i>				
School fees		4,645,451	-	4,645,451
Professional fees		683,674	-	683,674
Other trading activities	3	38,342	-	38,342
Investments	4	5,211	-	5,211
Other income	5	38,878	-	38,878
Total		5,806,704	19,062	5,825,766
Expenditure on:				
<i>Charitable activities:</i>				
Academy & Children's Home operations		5,414,803	35,585	5,450,388
<i>Raising Funds:</i>				
New Build Fundraising Campaign		-	6,090	6,090
Total	6	5,414,803	41,675	5,456,478
Net income/(expenditure)		391,901	(22,613)	369,288
Other recognised gains and losses				
Gains/(losses) on investment assets	11	2,140	-	2,140
Gain on disposal of tangible fixed assets		44,251	-	44,251
Actuarial gains/ (losses) on defined benefit pension schemes	23	8,654,000	-	8,654,000
Net movement in funds/(deficit)		9,092,292	(22,613)	9,069,679
Reconciliation of funds				
Total Funds brought forward at 1 September 2021		6,017,011	92,823	6,109,834
Total Funds carried forward at 31 August 2022		15,109,303	70,210	15,179,513

Exeter Royal Academy for Deaf Education

(Registration number: 06585703)

Consolidated Balance Sheet as at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	18,448,102	17,090,654
Investments	11	57,507	64,094
		<u>18,505,609</u>	<u>17,154,748</u>
Current assets			
Debtors	12	112,527	452,198
Cash at bank and in hand		<u>1,442,543</u>	<u>1,760,072</u>
		1,555,070	2,212,270
Creditors: Amounts falling due within one year	13	<u>(1,202,130)</u>	<u>(912,205)</u>
Net current assets		<u>352,940</u>	<u>1,300,065</u>
Total assets less current liabilities		18,858,549	18,454,813
Creditors: Amounts falling due after more than one year	14	<u>(2,030,068)</u>	<u>(1,908,300)</u>
Net assets excluding pension liability		16,828,481	16,546,513
Pension scheme liability	23	-	(1,367,000)
Net assets including pension liability		<u>16,828,481</u>	<u>15,179,513</u>
Funds:			
Restricted funds	15	<u>167,895</u>	<u>70,210</u>
Unrestricted funds			
Revaluation fund		87,326	93,026
Capital fund		16,183,804	15,032,118
Pension deficit fund		-	(1,367,000)
Freely available reserves		389,456	1,351,159
	15	<u>16,660,586</u>	<u>15,109,303</u>
Total funds		<u>16,828,481</u>	<u>15,179,513</u>

The financial statements on pages 17 to 46 were approved by the Trustees, and authorised for issue on 8 February 2024 and signed on their behalf by:

Mr T Collyer
Trustee

Exeter Royal Academy for Deaf Education

(Registration number: 06585703)

Charity Balance Sheet as at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	18,719,477	17,362,029
Investments	11	57,507	64,094
		<u>18,776,984</u>	<u>17,426,123</u>
Current assets			
Debtors	12	113,534	453,203
Cash at bank and in hand		<u>1,442,543</u>	<u>1,760,072</u>
		1,556,077	2,213,275
Creditors: Amounts falling due within one year	13	<u>(1,202,130)</u>	<u>(912,205)</u>
Net current assets		<u>353,947</u>	<u>1,301,070</u>
Total assets less current liabilities		19,130,931	18,727,193
Creditors: Amounts falling due after more than one year	14	<u>(2,030,068)</u>	<u>(1,908,300)</u>
Net assets excluding pension liability		17,100,863	16,818,893
Pension scheme liability	23	-	(1,367,000)
Net assets including pension liability		<u>17,100,863</u>	<u>15,451,893</u>
Funds:			
Restricted funds		<u>167,895</u>	<u>70,210</u>
Unrestricted funds			
Revaluation fund		87,326	93,026
Capital fund		16,456,186	15,303,491
Pension deficit fund		-	(1,367,000)
Freely available reserves		389,456	1,352,166
		<u>16,932,968</u>	<u>15,381,683</u>
Total funds		<u>17,100,863</u>	<u>15,451,893</u>

The financial statements were approved by the Trustees, and authorised for issue on 8 February 2024 and signed on their behalf by:

Mr T Collyer
Trustee

Exeter Royal Academy for Deaf Education

Consolidated Statement of Cash Flows for the Year Ended 31 August 2023

	Note	2023 £	2022 £
Net cash flows from operating activities	18	1,465,054	1,082,434
Net cash flows from investing activities	19	(1,966,745)	(104,014)
Net cash flows from financing activities	20	184,162	(4,291)
(Decrease)/increase in cash in the year	21	<u>(317,529)</u>	<u>974,129</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention with items being recognised at cost or transaction value unless otherwise stated in the notes to these accounts.

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), and with the requirements of the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS102.

The Charity is incorporated in England and Wales. The address of its registered office is given on page 1.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The functional and presentational currency is sterling.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its sole subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated group statement of financial activities is published, a separate statement of financial activities for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

During the year, an application was granted to strike off the subsidiary as of 31 January 2023. The dissolution date of the company occurred on 07 February 2023.

Income

All incoming resources are recognised when the Charity has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations

Donations and legacies are recognised on a receivable basis where there is probability of receipt and the amount can be reliably measured.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Other income

Fees receivable and charges for services are accounted for in the period in which the service is provided.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Charity's educational operations.

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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under the course of construction, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

All fixed assets are initially recorded at cost, except for freehold and leasehold properties acquired before 31 August 2015. Up to and including 31 August 2015 it was the Trustees' policy to revalue freehold properties at depreciated replacement cost in the accounts due to the specialised nature of the asset as a result of the services provided by the Charity. The Trustees adopted the transitional provisions of FRS 102, which provide that companies do not have to revalue tangible fixed assets. Previous valuations have been retained as deemed cost and have not been updated.

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

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Freehold buildings	50 years straight line
Plant and equipment	20% straight line
Motor vehicles	20% straight line

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 Charity 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.

Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

The costs of operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Stock

Stock and work in progress is valued at the lower of cost or net realisable value.

Financial Instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Charity and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the Charity'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.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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 Charity's wholly owned subsidiary are held at face value. Bank loans are initially measured at transaction price, including transaction costs, are subsequently carried at amortised costs using the effective interest method except to the extent that finance costs are immaterial.

Taxation

The Charity is exempt from taxation to the extent that its income and gains are applied exclusively for charitable purposes.

Pension benefits

Retirement benefits to employees of the Charity are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Charity. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity 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. As stated in the notes to the financial statements, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore 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 scheme and the assets are held separately from those of the Charity 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 charges, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying 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.

The Charity also operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Charity and are independently administered. The amount charged to the SOFA represents the contributions payable to the scheme in respect of the year.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Charity at the discretion of the Trustees. The Capital Fund represents the net book value of the unrestricted Fixed Assets less the loans due over more than one year.

The Charity has several restricted funds. Details of the nature of these funds are given in note 15.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

1 Accounting policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Charity 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

Subsidiary undertaking

The financial statements include the results of Exeter Deaf Academy Trading Limited, a wholly owned subsidiary. Further details of the subsidiary and its results are set out in note 11.

2 Donations and grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Grants	108,652	19,834	128,486	112,022
Donations and sponsorship	7,459	113,461	120,920	17,188
Legacies	137,974	-	137,974	285,000
	254,085	133,295	387,380	414,210

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	10,043	-	10,043	-
Other income	32,028	-	32,028	38,342
	42,071	-	42,071	38,342

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

4 Investment income

	Unrestricted funds £	Total 2023 £	Total 2022 £
Bank interest receivable	18,120	18,120	2,503
Other investment income	9,107	9,107	2,708
	<u>27,227</u>	<u>27,227</u>	<u>5,211</u>

5 Other income

	Unrestricted funds £	Total 2023 £	Total 2022 £
Pupil Premium Income	8,681	8,681	8,524
Other Educational Fees	61,123	61,123	30,354
	<u>69,804</u>	<u>69,804</u>	<u>38,878</u>

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2023 £	Total 2022 £
<i>Charitable activities:</i>					
Academy & Children's Home operations					
Direct costs	3,134,362	-	259,223	3,393,585	2,905,206
Allocated support costs	935,679	1,074,988	852,881	2,863,548	2,545,182
	<u>4,070,041</u>	<u>1,074,988</u>	<u>1,112,104</u>	<u>6,257,133</u>	<u>5,450,388</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

6 Expenditure (continued)

	Staff costs £	Premises £	Other costs £	Total 2023 £	Total 2022 £
Raising funds:					
New build fundraising campaign	-	-	-	-	6,090
	4,070,041	1,074,988	1,112,104	6,257,133	5,456,478

Net income/outgoing resources for the year includes:

	2023 £	2022 £
Fees payable to auditor - audit services	13,423	16,857
Fees payable to auditor - other audit services	3,477	3,765
Operating leases	44,929	69,518

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

7 Charitable activities

	Total 2023 £	Total 2022 £
Direct costs	3,393,585	2,905,206
Support costs	2,863,548	2,545,182
	<u>6,257,133</u>	<u>5,450,388</u>

	Total 2023 £	Total 2022 £
Analysis of educational operations support costs		
Support staff costs	935,679	862,655
Depreciation	644,873	621,243
Premises costs	430,115	325,620
Other support costs	852,881	735,664
Total support costs	<u>2,863,548</u>	<u>2,545,182</u>

8 Staff

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	3,392,970	2,822,547
Social security costs	276,601	242,359
Pension costs	400,471	480,845
	<u>4,070,042</u>	<u>3,545,751</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

8 Staff (continued)

The average number of persons (including senior management team) employed by the Charity during the year expressed as average headcount was as follows:

	2023 No	2022 No
Charitable Activities		
Teachers & Education Support	66	61
Care	30	30
Support, Estates, Fundraising & Marketing	31	31
	127	122

Higher paid staff

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

	2023 No	2022 No
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	1	1

The key management personnel of the Charity are 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 Charity was £194,739 (2022- £175,224)

9 Trustees' remuneration and expenses

The Trustees have not received any remuneration from the charity during the year.

As permitted by the Memorandum and Articles of Association, during the year ended 31 August 2023 travel and subsistence expenses totalling £929 (2022 - £472) were reimbursed or paid directly to one trustee (2022 - one).

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

10 Tangible fixed assets

Group

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Current year				
Cost				
At 1 September 2022	16,620,818	2,013,233	134,638	18,768,689
Additions	1,815,246	218,022	19,439	2,052,707
Disposals	(50,000)	(3,698)	-	(53,698)
At 31 August 2023	18,386,064	2,227,557	154,077	20,767,698
Depreciation				
At 1 September 2022	571,517	1,021,565	84,953	1,678,035
Charge for the year	284,077	339,267	21,529	644,873
Eliminated on disposals	-	(3,312)	-	(3,312)
At 31 August 2023	855,594	1,357,520	106,482	2,319,596
Net book value				
At 31 August 2023	17,530,470	870,037	47,595	18,448,102
At 31 August 2022	16,049,301	991,668	49,685	17,090,654

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

10 Tangible fixed assets (continued)

Group (continued)

Previous year	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2021	16,616,216	1,902,953	112,158	18,631,327
Additions	5,492	111,355	38,225	155,072
Disposals	(890)	(1,075)	(15,745)	(17,710)
At 31 August 2022	16,620,818	2,013,233	134,638	18,768,689
Depreciation				
At 1 September 2021	287,440	696,319	83,056	1,066,815
Charge for the year	284,077	325,615	17,642	627,334
Eliminated on disposals	-	(369)	(15,745)	(16,114)
At 31 August 2022	571,517	1,021,565	84,953	1,678,035
Net book value				
At 31 August 2022	16,049,301	991,668	49,685	17,090,654
At 31 August 2021	16,328,776	1,206,634	29,102	17,564,512

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

10 Tangible fixed assets (continued)

Charity

Current year	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2022	16,892,192	2,013,233	134,638	19,040,063
Additions	1,815,246	218,022	19,439	2,052,707
Disposals	(50,000)	(3,698)	-	(53,698)
At 31 August 2023	18,657,438	2,227,557	154,077	21,039,072
Depreciation				
At 1 September 2022	571,517	1,021,564	84,953	1,678,034
Charge for the year	284,077	339,267	21,529	644,873
Eliminated on disposals	-	(3,312)	-	(3,312)
At 31 August 2023	855,594	1,357,519	106,482	2,319,595
Net book value				
At 31 August 2023	17,801,844	870,038	47,595	18,719,477
At 31 August 2022	16,320,675	991,669	49,685	17,362,029

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

10 Tangible fixed assets (continued)

Charity (continued)

Previous year	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2021	16,616,216	1,902,953	112,158	18,631,327
Additions	276,866	111,355	38,225	426,446
Disposals	(890)	(1,075)	(15,745)	(17,710)
At 31 August 2022	16,892,192	2,013,233	134,638	19,040,063
Depreciation				
At 1 September 2021	287,440	696,316	83,056	1,066,812
Charge for the year	284,077	325,615	17,642	627,334
Eliminated on disposals	-	(367)	(15,745)	(16,112)
At 31 August 2022	571,517	1,021,564	84,953	1,678,034
Net book value				
At 31 August 2022	16,320,675	991,669	49,685	17,362,029
At 31 August 2021	16,328,776	1,206,634	29,102	17,564,512

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

11 Investments

Charity

In the previous year, the Charity owned 100% of the Ordinary shares of Exeter Deaf Academy Trading Limited, a company incorporated in England and Wales (company number: 08172970, registered office: The Deaf Academy, 1 Douglas Avenue, Exmouth, EX8 2AU). The principal activity of the company was the development of a new site for Exeter Royal Academy for Deaf Education.

Turnover for the year ended 31 August 2023 was £nil (2022 - £274,154), expenditure was £nil (2022 - £4,113) and the profit for the year was £nil (2022 - £270,041). The assets of the company at 31 August 2023 were £nil (2022 - £Nil), liabilities were £nil (2022 - £998) and capital and reserves were £nil (2022 - a deficit of £998).

During the year, an application was granted to strike the company off as of 31 January 2023. The dissolution of the company occurred on 7 February 2023.

Group and Charity

Quoted Investments

	2023	2022
	£	£
Market value brought forward	64,094	61,954
Disposals	(1,419)	-
Revaluation	(5,168)	2,140
Market value carried forward	57,507	64,094
Historical cost	33,402	34,912

12 Debtors: amounts due within one year

	2023	Group	2023	Charity
	£	2022	£	2022
		£		£
Trade debtors	2,165	28,974	2,165	28,974
Prepayments	49,101	33,437	49,101	33,437
Amounts due from subsidiary undertaking	-	-	-	-
Other debtors	61,261	389,787	62,268	390,792
	112,527	452,198	113,534	453,203

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

13 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Finance lease liabilities	8,300	4,290	8,300	4,290
Trade creditors	807,425	708,065	807,425	708,065
Other taxation and social security	66,710	59,461	66,710	59,461
Bank loans	58,384	-	58,384	-
Other creditors	44,952	29,121	44,952	29,116
Accruals and deferred income	216,359	111,268	216,359	111,268
	<u>1,202,130</u>	<u>912,205</u>	<u>1,202,130</u>	<u>912,200</u>

The movement in deferred income for the year is as follows:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
At 1 September 2022	55,130	49,559	55,130	49,559
Amount deferred in the year	72,576	55,130	72,576	55,130
Amount released from previous years	(55,130)	(49,559)	(55,130)	(49,559)
At 31 August 2023	<u>72,576</u>	<u>55,130</u>	<u>72,576</u>	<u>55,130</u>

14 Creditors: amounts falling due after more than one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Finance lease liabilities	-	8,300	-	8,300
Bank loans	1,530,068	-	1,530,068	-
Other loans	500,000	1,900,000	500,000	1,900,000
	<u>2,030,068</u>	<u>1,908,300</u>	<u>2,030,068</u>	<u>1,908,300</u>

Bank loans of £1,588,452 (due less than and over one year) are secured by a charge over the charity's property and due for repayment in 15 years from the first repayment date, beginning in May 2023. Other loans totalling £500,000 are unsecured and due for repayment in instalments from 2025 to 2029.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 Funds

Group

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Current year:					
Restricted funds					
WK Hutchings Family Support	-	6,000	(6,000)	-	-
Andrew Kensit Cup	13,000	-	(500)	-	12,500
Audio Visual Equipment	11,829	-	(3,654)	-	8,175
ICT Suite	21,840	-	(6,745)	-	15,095
Residential Flats	13,500	-	(4,500)	-	9,000
School Classroom	9,246	-	(3,082)	-	6,164
Dorothy Hird Trust	-	5,000	(1,000)	-	4,000
Margaret Ann Robinson Award	-	10,000	(500)	-	9,500
Adult Residential Learning Centre	-	103,461	-	-	103,461
Other restricted funds	795	8,834	(9,629)	-	-
Total restricted funds	70,210	133,295	(35,610)	-	167,895
Unrestricted funds					
Revaluation fund	93,026	-	-	(5,700)	87,326
Other unrestricted funds	15,016,277	6,370,044	(6,221,523)	1,408,462	16,573,260
Total unrestricted funds	15,109,303	6,370,044	(6,221,523)	1,402,762	16,660,586
Total funds	15,179,513	6,503,339	(6,257,133)	1,402,762	16,828,481

The restricted funds are set up for the following purposes:

WK Hutchings Family Support - To enable sign language and support to be delivered to families and to support keeping in touch with students, supporting our Online Academy and transitional support for student leavers.

Andrew Kensit Cup - In memory of student Andrew Kensit, each year a student will be awarded the Cup and a bursary.

Dorothy Hird Trust – To provide the “sensory nook” at the children’s home.

Adult Residential & Learning Centre – To enable a visionary new residential provision as an extension to the main campus, giving our young adult students the support they need to prepare them for independent living and work.

Margaret Ann Robinson Award – In memory of Margaret Ann Robinson, each year a student who has helped others or the local community will receive an award from the fund.

Other restricted funds - various smaller projects mainly in connection with video technology, ICT, Sensory Pod, Sports & PE and Literacy

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

15 Funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Previous year:					
Restricted funds					
WK Hutchings Family Support	-	6,000	(6,000)	-	-
Andrew Kensit Cup	13,500	-	(500)	-	13,000
Audio Visual Equipment	11,145	5,545	(4,861)	-	11,829
ICT Suite	29,120	-	(7,280)	-	21,840
Residential Flats	18,000	-	(4,500)	-	13,500
School Classroom	12,328	-	(3,082)	-	9,246
Other restricted funds	2,640	7,517	(9,362)	-	795
	86,733	19,062	(35,585)	-	70,210
New Build Fundraising Campaign	6,090	-	(6,090)	-	-
Total restricted funds	92,823	19,062	(41,675)	-	70,210
Unrestricted funds					
Revaluation fund	91,508	-	-	1,518	93,026
Other unrestricted funds	5,925,503	5,850,955	(5,414,803)	8,654,622	15,016,277
Total unrestricted funds	6,017,011	5,850,955	(5,414,803)	8,656,140	15,109,303
Total funds	6,109,834	5,870,017	(5,456,478)	8,656,140	15,179,513

The restricted funds are set up for the following purposes:

New Build Fundraising Campaign – To support the costs of establishing the new Deaf Academy campus.

WK Hutchings Family Support - To enable sign language and support to be delivered to families over a series of weekends.

Andrew Kensit Cup - In memory of student Andrew Kensit, each year a student will be awarded the Andrew Kensit Cup and a bursary.

Other restricted funds - various smaller projects mainly in connection with video technology, ICT, Sensory Pod, Sports & PE and Literacy

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

16 Analysis of net assets between funds – group

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	18,302,205	145,897	18,448,102
Investments	57,507	-	57,507
Current assets	1,533,072	21,998	1,555,070
Current liabilities	(1,202,130)	-	(1,202,130)
Creditors over 1 year	(2,030,068)	-	(2,030,068)
Pension scheme liability	-	-	-
Total net assets	16,660,586	167,895	16,828,481

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	17,033,444	57,210	17,090,654
Investments	64,094	-	64,094
Current assets	2,199,270	13,000	2,212,270
Current liabilities	(912,205)	-	(912,205)
Creditors over 1 year	(1,908,300)	-	(1,908,300)
Pension scheme liability	(1,367,000)	-	(1,367,000)
Total net assets	15,109,303	70,210	15,179,513

Freely Available Reserves (Group)

The freely available reserves for the Group represent unrestricted net current assets and investments. The freely available reserves at 31 August 2023 were £389,456 (£1,351,159 at 31 August 2022).

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

17 Commitments under operating leases – group and Charity

Operating leases

At 31 August 2023 the group and Charity had total future commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2023	2022
	£	£
Other		
Within one year	69,837	70,408
Within two to five years	205,403	198,220
After more than five years	591,265	631,965
	866,505	900,593

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

18 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2023 £	2022 £
Net income	246,206	369,288
Depreciation	644,873	627,334
Investment income	(27,227)	(5,211)
Pension scheme charges in excess of cash paid	34,000	269,000
Decrease/(increase) in debtors	339,671	(226,698)
Increase in creditors	227,531	48,721
Net cash flows from operating activities	1,465,054	1,082,434

19 Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(2,052,707)	(155,072)
Proceeds from the sale of tangible fixed assets	57,465	45,847
Proceeds from the sale of investments	1,270	-
Investment income	27,227	5,211
Net cash flows from investing activities	(1,966,745)	(104,014)

20 Cash flows from financing activities

	2023 £	2022 £
Proceeds from borrowings	1,600,000	-
Repayment of borrowings	(1,411,548)	-
Repayment of finance lease liabilities	(4,290)	(4,291)
Net cash flows from financing activities	184,162	(4,291)

21 Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Non-cash changes £	At 31 August 2023 £
Cash at bank and in hand	1,760,072	(317,529)	-	1,442,543
Loans falling due within one year	-	-	(58,384)	(58,384)
Loans falling due after more than one year	(1,900,000)	(188,452)	58,384	(2,030,068)
Finance lease liabilities	(12,590)	4,290	-	(8,300)
	(1,912,590)	(184,162)	-	(2,096,752)
	(152,518)	(501,691)	-	(654,209)

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

22 Members' liability

The company is limited by guarantee and has no share capital. In the event of a winding up the liability of the members is limited to £1 each.

23 Pension and similar obligations

The Charity's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-teaching staff, and Aegon. Both the TPS and the LGPS are multi-employer defined benefit schemes; Aegon is a defined contribution pension scheme.

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

Contributions amounting to £46,290 were payable to the schemes at 31 August 2023 (2022: £35,394) and are included within creditors.

Teachers' Pension Scheme

Introduction

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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,160 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

23 Pension and similar obligations (continued)

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £134,859 (2022 - £103,150).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £144,000 (2022 - £165,000), of which employer's contributions totalled £120,000 (2022 - £125,000) and employees' contributions totalled £24,000 (2022 - £27,000). The agreed contribution rates for future years are 22.3% for employers plus an additional top up for the past service deficit of £43,000 per annum and 5.5% to 12.5% for employees.

Principal actuarial assumptions

	At 31 August 2023 %	At 31 August 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

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

	At 31 August 2023	At 31 August 2022
Retiring today		
Males retiring today	21.4	21.7
Females retiring today	22.6	22.9
Retiring in 20 years		
Males retiring in 20 years	22.7	23.0
Females retiring in 20 years	24.0	24.3

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

23 Pension and similar obligations (continued)

Sensitivity analysis on present value of scheme obligations

	At 31 August 2023 £	At 31 August 2022 £
Discount rate +0.1%	9,229,000	10,693,000
Discount rate -0.1%	9,551,000	11,201,000
Mortality assumption – 1 year increase	9,687,000	11,303,000
Mortality assumption – 1 year decrease	9,099,000	10,597,000
CPI rate +0.1%	9,544,000	11,181,000
CPI rate -0.1%	9,236,000	10,713,000

The actual return on scheme assets was positive £263,000 (2022 – negative £355,000).

Amounts recognised in the statement of financial activities

	2023 £	2022 £
Current service cost	93,000	229,000
Net interest cost	56,000	159,000
Admin expenses	5,000	6,000
Total amount recognised in the SOFA	154,000	394,000

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

	2023 £	2022 £
At start of period	10,944,000	19,760,000
Current service cost	93,000	229,000
Interest cost	456,000	318,000
Admin expenses	5,000	6,000
Employee contributions	24,000	27,000
Actuarial (gain)/loss *	(2,070,000)	(9,272,000)
Change in demographic assumptions *	(742,000)	(1,010,000)
Experience loss/(gain) on defined benefit obligations *	911,000	1,108,000
Benefits paid	(233,000)	(222,000)
At 31 August	9,388,000	10,944,000

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

23 Pension and similar obligations (continued)

Changes in the fair value of Charity's share of scheme assets:

	2023 £	2022 £
At start of period	9,577,000	10,008,000
Interest income	400,000	159,000
Actuarial (loss)/gain *	(275,000)	(520,000)
Employer contributions	120,000	125,000
Employee contributions	24,000	27,000
Benefits paid	(233,000)	(222,000)
At 31 August	9,613,000	9,577,000
(Surplus)/Deficit	(225,000)	1,367,000

* These figures, together with the surplus, make up the total actuarial gain of £1,401,000 (2022 – actuarial gain of £8,654,000) shown in the Statement of Financial Activities.

As at 31 August 2023, the actuarial valuation for the Trust includes a surplus totalling £225,000 (2022: not a surplus). This surplus has not been recognised within the financial statements.

High UK corporate bond yields have resulted in high accounting discount rates which contributed to the closing surplus position. There is no specific guidance in FRS 102 in relation to surplus balances, therefore reference has been made to IAS 19. This requires any surplus recognition to be limited to the present value of economic benefits available in the form of either refunds or reduced future contributions (the asset ceiling).

The right to a refund would occur in the form of a credit payable to the Trust, for example on exiting the pension fund. Whether any refund is provided is governed by Regulation 64 of the 2013 Local Government Pension Scheme Regulations and set out in the specific local authority funding strategy statement. The payment of this credit is at the discretion of the local authority based on a variety of pre-determined factors. Given there are no circumstances to suggest an exit from the fund and the determination of any credit is outside the control of the Trust, there is no basis to recognise any surplus.

With regards to reduced contributions, IAS 19 references minimum funding requirements used by certain schemes which limit the scope for contribution reductions. The LGPS administering authority must obtain a rates and adjustments certificate every three years that shows the contributions to be paid by each employer to the pension fund for the following three years, thereby limiting the availability of any contribution reductions. Additionally, the local authority funding strategy statement provides for potential reductions in future contributions, but these would be at the discretion of the local authority with, in the majority of cases, academies being part of a stabilisation approach which sets a limit on any change to contributions e.g. to 1% of pay per year. This suggests minimum funding requirements are applicable to the Trust as determined by IAS19. When actuary asset ceiling calculations assume that minimum funding requirements exist, they provide an asset ceiling value of £Nil.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2023 (continued)

23 Pension and similar obligations (continued)

Based on the above, it cannot be determined that a flow of future benefits is probable therefore no asset has been recognised.

Aegon Pension Scheme

The Aegon Pension Scheme is a defined contribution scheme. The total contribution made for the year ended 31 August 2023 was £222,472 (2022 - £194,965), of which employer's contributions totalled £172,133 (2022 - £149,610) and employees' contributions totalled £50,339 (2022 - £45,355).

24 Related party transactions

The Charity has taken advantage of the exemption under FRS102 from the disclosure of transactions with its wholly owned subsidiary.

During the year the Charity made payments totalling £2,779 (2022 - £Nil) to Kitson Boyce LLP, an LLP of which one of the Trustees is a partner. At the year end, a balance of £Nil (2022 - £Nil) was owed to Kitson Boyce LLP.

Accounts



Annual report and consolidated financial statements

For the period 1 September 2021 to 31 August 2022

Exeter Royal Academy for Deaf Education, a company limited by guarantee

Registered office: The Deaf Academy, 1 Douglas Avenue, Exmouth, Devon, EX8 2AU

Company registration no. 6585703 | Registered charity no. 1124523

Exeter Royal Academy for Deaf Education

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Exeter Royal Academy for Deaf Education

Reference and Administrative Details

Trustees (Directors)

Mr A Alexander

Mr T Collyer, Honorary Treasurer

Mr R Davey

Mr J Dewhirst

Mr C Hampton II (resigned 6 September 2022)

Dr J Harvey, Vice Chair

Dame A Pedder OBE, Chair

Mr D Robertson

Mr R Spencer

Company Secretary

Mrs C Quick

Key Management Personnel

Mr S Dewing, Principal

Mrs C Quick, Director of Finance & Resources

Principal and Registered Office

The Deaf Academy

1 Douglas Avenue

Exmouth

EX8 2AU

Company Registration Number

06585703

Exeter Royal Academy for Deaf Education

Reference and Administrative Details

Independent Auditors

PKF Francis Clark
Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Bankers

National Westminster Bank Plc
59 High Street
Exeter
Devon
EX4 3DP

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2022

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

The Charity, Exeter Royal Academy for Deaf Education, operates a non-maintained, residential special school and an independent specialist college for students aged 5 to 25 years (the Deaf Academy). Students are placed at the Deaf Academy by local authorities in England, Scotland and Wales. The Charity also operates a Children's Home for deaf young people (Rolle House).

Structure, governance and management

Constitution

The Charity is a company limited by guarantee and is a registered charity. The charitable company's memorandum and articles of association are the primary governing documents of the Charity. The company registration number is 06585703, and the charity number is 1124523.

Under the provision of Section 30 of the Companies Act 2006, the company is entitled to omit the word "Limited" from its name.

The Trustees of Exeter Royal Academy for Deaf Education are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

The company is limited by guarantee and has no share capital. In the event of a winding up the liability of the members is limited to £1 each.

Trustees and Governing Body

The Charity has a Board of Trustees which meets at least four times a year. Whilst governance of the Academy is delegated to a Governing Body which meets at least six times a year, the Trustees remain responsible for the Governance of the Charity as a whole.

Method of recruitment and appointment or election of Trustees

The Board of Trustees reviews regularly the composition of itself, the Governing Body, and its various subcommittees. The Trustees look at the blend of experience and skills of all Governors and Trustees to ensure that these meet the needs of the Charity. Where vacancies arise, a formal recruitment process is undertaken. This involves advertising both locally and nationally as well as more informal approaches to individuals who have the relevant skills and experience. Selection is made after a rigorous process including visits to the Charity, where possible within Covid-19 restrictions, and interviews by senior staff as well as Trustees and Governors. Induction is provided to all Trustees and Governors and a programme is organised by the Clerk to the Board of Trustees and Governing Body. Governors and Trustees are expected to visit the School and College regularly.

The Trustees and Governors undertake skill audits and self-evaluations on a regular basis. This enables the Charity to provide training and development to enhance their understanding and knowledge of the Charity to ensure all Trustees and Governors are able to satisfy themselves of their own performance.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2022

Organisational structure

During the year the Charity has completed a thorough review of the articles of association and supporting governance and committee structure to ensure it continues to have an effective governance framework in place.

All elements of the Charity's operations are conducted under the leadership of the Principal, supported by the Senior Leadership Team. As the needs of the organisation change aligned to changing student profile, greater stability and increased organisational maturity, our management arrangements are reviewed and where appropriate changed to ensure they continue to meet current and future need. Members of the Senior Leadership Team appointed during the 2021/22 academic year have settled into their roles and focused on building capacity within the middle management team. This has resulted in some new appointments which have given great depth of knowledge and key skills to strengthen key aspects of our work. Details of the key management personnel are shown on page 1.

The Trustees are responsible for determining and reviewing the pay and remuneration for these staff and use benchmark information from both the education and charity sectors to do this.

Risk management

A thorough review of the risk management system and reporting has also been undertaken. This has resulted in an improved approach to the assessment, reporting and management of risk at all levels of the organisation. Trustees' discussion and understanding of the key risks has also improved.

The Trustees are responsible for the management of risks affecting the Charity and have undertaken a review of risks associated with its activities. The key controls used by the Charity include:

- Formal agendas for all Trustees, Governing Body and sub-committee meetings
- Detailed terms of reference for all committee meetings
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Stringent safeguarding arrangements to protect the beneficiaries of the Charity
- Monitoring of key performance indicators

The Trustees and senior managers have undertaken a review and analysis of risk, focusing on the major aspects of operational, financial, governance management, compliance and reputational risk. The work has given rise to steps and procedures to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk.

The principal risks and uncertainties, together with a summary of how they are managed are set out below:

- Workforce capacity – enhanced workforce development, pay review, new recruitment approaches, wellbeing initiatives
- Education quality – monitoring of Ofsted action plans, enhanced external support and coaching, enhanced quality assurance, review and monitoring of leadership and management
- Safeguarding of students – intensive staff training, safeguarding systems are periodically reviewed, a dedicated well resourced Safeguarding team.
- Adverse inspection by regulators, including Ofsted – regular and close scrutiny of all aspects of performance by sub-committees of the Board of Trustees, the Academy Governing Body and Children's Home Governing Body. Ongoing review by external independent advisors, commissioned by the organisation.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2022

- Campus building and capacity – regular capacity review, estates strategy and development plan
- Financial Risk – The Charity undertakes regular financial reporting and planning, including the preparation of a long term financial plan and detailed cashflow. Financial reports are reviewed by the Trustees at their meetings, and by the appointed sub-committee. The Trustees set a financial reserves policy to ensure adequate short term liquidity.
- Student Recruitment and retention – low/insufficient recruitment of students – regular monitoring of enquiries and admissions through the Admissions Group, together with regular scrutiny of the Marketing & Communication Quality Improvement Plan at committee level. The Finance and Resources sub Committee oversees performance on behalf of the Governing Body and Trustees.
- Children's Home instability of placements – close liaison with LA funders, focus on quality of provision and good fit placements, oversight by Children's Home Governing Body, cautious income budgeting
- Recruiting suitably qualified/experienced staff – capacity requirements, vacancies and development needs are regularly assessed by the Senior Leadership Team. Key oversight is provided by the Finance and Resources sub committee and regularly reported to the Governing Body and Board of Trustees

Through the risk management process established by the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives and activities

Objects and aims

The Charity's objects, which were revised with the permission of the Charity Commission in 2008, are as follows:

- to provide education, training, care, accommodation, leisure opportunities, welfare and other support services to deaf people and people who are not deaf but who, due to some other disability, would benefit from the same (principally though not exclusively from the counties of Devon, Cornwall, Somerset and Dorset) with the object of developing their personal, mental, physical and spiritual capacities so that they may realise their full potential as individuals and members of their communities and society as a whole and so that their condition of life may be improved; and
- to educate the general public in the needs and capabilities of deaf people with a view to achieving greater integration between deaf and hearing communities.

Objectives, strategies and activities

Students are the primary beneficiaries of the Academy's work. The Academy enables students to learn with other deaf students, within a fully bilingual environment, supporting students to learn in both BSL (British Sign Language) and English depending on their level of needs and abilities. This allows students to acquire language and communication skills, and to develop socially and emotionally. In turn, this supports the students to excel educationally and to achieve independence. The families of the Academy's deaf students also benefit from the support given to them and from the greater wellbeing and achievement of their child. The School and College operates a Student Council which enables students to contribute to the decision making within the Academy. Open days are held for parents and carers, all parents and carers are also invited to the annual review of the education and care provided for their child. Parents and carers also receive newsletters and can communicate with their child and their teachers and care workers through the video conferencing system. The Charity also operates a children's home for deaf young people.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2022

Public benefit

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The Charity provides specialist deaf education which benefits the students who attend the Academy's School & College. Admission to the School & College is open to any student for whom the specialist education has been professionally assessed as appropriate to meet their needs. Fees are charged to allow costs to be recovered, these are usually funded by local authorities and the Education and Skills Funding Agency. Local Authorities benefit as the Charity enables them to meet their statutory responsibilities to educate children with hearing impairment.

The wider community benefits because many of the Academy's students participate in work-placements and other events in the community, raising awareness of deafness.

The Charity is committed to the greater integration of deaf and hearing communities and seeks to raise awareness of deafness and promote the capabilities of deaf people through publicity, partnership working, fundraising and similar activities.

Equality and Diversity

Respecting diversity is one of the Charity's key values and we are committed to being an inclusive organisation where diversity is celebrated and valued.

The Charity strives to create a culture where mutual cooperation, respect, dignity and trust are fostered. The Charity will not tolerate unfair or unlawful treatment on the grounds of age, disability, gender, transgender, marital status, race, colour, ethnic origin, socioeconomic background, sexual orientation, nationality, trade union membership and activity, philosophical, political or religious beliefs or unbelief, and pregnancy or maternity.

The Charity's Equality & Diversity Policy articulates this commitment and ensures that all staff, students and volunteers are treated fairly and have equal access to learning programmes, facilities and employment opportunities.

Strategic Report

Achievements and performance

Operational performance

The benefits envisaged as a consequence of the opening of the new Academy in Exmouth have materialised as anticipated. Our new purpose-built Academy designed with the help of specialists experienced in creating Deaf friendly spaces continues to be a triumph and acts as a magnet attracting student referrals and new staff to our service. Our education facilities and residential care accommodation are excellent and provide a splendid environment within which our students and staff can flourish. Our growth in student numbers has once again been ahead of predicted growth, this positive trend was recognised in year, with the potential for an excess in demand for places meaning some students who would benefit from placement not being able to be offered a placement or put on a waiting list. A review of capacity and options for expansion was commissioned in year and proposals developed for consideration. It continues to be a delight to see how much our students appreciate the facilities they have and the benefit this has created for them in so many ways.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2022

The presence of COVID 19 continued to be felt throughout the year, impacting on staffing. Despite this excellent progress has been made in year and the commitment of our staff teams has remained resolute to ensure our young people are not negatively impacted by these difficulties. As with many parts of the education and care sector, recruitment has been more difficult in 2021/22 than previous years and new and innovative approaches have been taken to recruit and retain staff. Trustees are very grateful to our staff and senior leadership team who work ceaselessly to ensure our young people flourish and are not impacted by staffing challenges.

Ofsted inspections re-commenced in September 2021. A full Inspection of the Children's Home (Rolle House) took place in October 2021. This was the first inspection of the provision in the new premises and was graded as requires improvement to be good. The Children's Home had had a challenging year and the robust plan to return to good was delivered with good progress reported in the March 2022 interim inspection and a designation of Good achieved at the September 2022 inspection. Residential Care was inspected in September 2021 and continued to be graded as Good in all areas, regrettably at the September 2022 annual inspection residential care was judged to be requires improvement to be good. Many good practices features were highlighted in the report and a robust action plan is in place the address the actions Ofsted highlighted as required.

In March 2022 the College was inspected and was assessed to remain, requires improvement to be good. Inspectors noted many areas of improvement, COVID 19 restriction had restricted the timeliness of some of the improvements required to achieve good and these are being addressed. An action plan is in place and a detailed review of our post 19 offer has been undertaken, plans are now in place to establish a more bespoke adult focussed post 19 provision in a location adjacent to the main Academy from September 2023.

Embedding and developing the new curriculum structure was introduced in 2020/21, based on our core principles of Rich Language Acquisition, Empowering Knowledge of Skills, Collaborative Approach, Strong Identity, Aspiration and Independence, has been a key feature of our work in 2021/22. This is a significant work programme including the introduction of a broader curriculum with a greater linkage to national curriculum frameworks applied through deaf education/SEN (Special Education Needs) pedagogic approaches. This was also accompanied by a new programme structure, in class support and leadership and management arrangements. This is a significant task and implementation continues. The senior education leadership team has worked hard to achieve the improvements required and reflected and adapted their approach linked to the changes in our student profile. This work is ongoing and successful recruitment of more specialist teaching staff, who commenced in 2022/23, will do much to bolster their efforts.

Following on from our excellent student' achievement results in 2020/21, performance was maintained in 2021/22. Specifically in respect of numeracy and literacy, achievements reflected the stage(s) of our students' learning journey. There were excellent results in BSL. External college courses had a 100% achievement rate, reflecting the hard work of our staff providing support to these students.

We would like to thank the community of Exmouth for welcoming us and for the encouragement and support they provide to our student community. One of the ambitions of relocating our service to Exmouth was to enable our community of Deaf young people to be embraced by and welcomed into a local community. Our students have been welcomed to many community events, including performing at Exmouth Pride, Christmas tree decoration at Holy Trinity Church, a visit to Colourscape organised by Budleigh Music Festival, and the Rotary supported Santa visit. They particularly appreciated the support they received for the rally they held in support of the third reading of the BSL Act, an important milestone in Deaf rights.

It has been a year of celebration and progress; it was a very proud moment when former student Nikki James was highly commended in the Teaching Assistant of the Year TES Awards. Trustees have great

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2022

confidence in the service improvement that has been achieved and the programme of further development that is in place. Led by the ambitious and passionate leadership team and supported by committed staff the Charity's improvement trajectory continues. The Academy's reputation as a place of excellence in education and care for deaf young people is growing and is gaining national prominence for the quality and innovation of the education and care it offers.

The Trustees are very grateful to the many organisations and individuals who generously contributed funds which made the completion of our new Academy possible and who continue to support us. We have benefited in year from a number of substantial legacies and we are particularly grateful to those individuals and families who name the Deaf Academy in their wills.

An important element we are addressing is the changing profile of our students as increasing numbers face the challenges of additional, often multiple additional needs as well as being Deaf. The Charity, through the Academy and Children's Home, is developing new ways of teaching, supporting and caring to support young people with a range of complex needs, including Autism, Learning Difficulties, Social Emotional Mental Health Needs, physical and medical needs. We continue to develop our workforce and forge new partnerships with specialist providers, research partners and the wider community. We are building a new chapter in our Charity's history, focussed on our aspiration to enable deaf young people to excel and achieve their full potential.

Our particular thanks and appreciation go to our Senior Leadership Team, our education, care and support colleagues for the hard work, dedication and resilience they continue to demonstrate and for the pride and joy they have in the success of our young people. Finally, our thanks also go to our students, they are a source of inspiration and pride, we see them grow, achieve and emerge as confident young Deaf people, making a contribution and changing the world for the better.

Going concern

At the date of approval of the accounts the Charity has an adequate level of cash reserves. Fee income is strong, student numbers have increased and applications for admission to the school and college rolls are growing. The new facilities in Exmouth enable us to plan confidently for future growth. The Trustees have reviewed the cash forecasts and commitments and are satisfied there are adequate financing arrangements in place. Taking all these factors into consideration the Trustees consider that the Charity should 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 Statement of Accounting Policies.

Financial review

This is the second year, since moving to the new campus in Exmouth, that we have recorded an operating surplus. Our financial performance has been helped by strong student numbers which have exceeded expectations, tight cost control and from significant legacy income in both years. The Charity has a significant annual depreciation charge, £627k in 2021/2022, due to the new purpose-built Academy and its facilities. Overall our cash position increased by £974k in the year, largely as a result of these factors. Our performance enables us to rebuild reserves and to invest in developing new facilities.

The Group's freely available reserves are calculated at £1.35m at the balance sheet date. The freely available reserves are made up of the unrestricted current assets, including investments, less unrestricted current liabilities.

The Group's total reserves have increased by £9.07m during the year ended 31 August 2022. This is mainly due to a significant reduction of £8.65m in the Local Government Pension Scheme liability as a

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2022

result of a change in application of financial assumptions. Reserves have also increased as a result of the operating surplus of £369k and the gains on investments and disposal of fixed assets of £46k.

Significant reduction in pension liabilities

As noted above there has been a significant reduction in the Local Government Pension Scheme liability which has increased the total reserves of the Charity. The liability is calculated annually by the actuary using a discount rate based on bond yields, as required by Accounting Standard FRS102. Bond yields increased significantly at 31 August 2022 compared to the previous year and this caused a corresponding reduction in the calculated pension liability.

It is not possible to predict what might happen to yields used for future valuations but if they return to levels seen in previous years, we may well see another swing in results but in the opposite direction. However, it is important to note that this change in pension liability is not a basis for calculating the funding requirements of the scheme. Funding requirements are based on the triennial valuations prepared by the scheme actuary who set the contribution levels for current service and to recover any deficit on past service costs.

Reserves policy

The Trustees have reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. The target level of reserves is set after considering the key risks facing the Charity and the regular financial forecasts prepared by management. The level is reviewed annually by Trustees. We aim to maintain sufficient reserves to enable us to carry on our work when faced with difficult circumstances and to adjust our strategy in response, while ensuring we maximise the resources readily available for charitable purposes. Our primary operating funding comes from local authorities and is reasonably foreseeable in the short term. This, together with the significant value of our freehold premises and expectation that we will continue as a going concern, is such that we do not provide reserves for cessation or the impact of our share of the deficits of the defined benefit pension scheme.

The target level of reserves is between £500k to £750k. The freely available reserves at the balance sheet date of 31 August 2022 exceeded the target level.

Investment policy

The objective of the investment policy is to maximise the total return of the funds whilst avoiding undue risk. No additional funds have been placed into investments during the period. The investment policy and investments held by the Charity will continue to be reviewed annually.

Investment performance

The investments are held within Common Investment Funds and are divided between Fixed Interest and Equity shares. The market value of investments at the balance sheet date was £64k. These funds have produced an income of £2.7k for the reporting period.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2022

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees on 9 February 2023 and was signed on its behalf by:

Dame A Pedder OBE

Chair

Exeter Royal Academy for Deaf Education

Statement of Trustees' Responsibilities

The Trustees (who are 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

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

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education

Opinion

We have audited the financial statements of Exeter Royal Academy for Deaf Education (the 'Charity') and its subsidiaries (the 'Group') for the year ended 31 August 2022, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Group and the Charity as at 31 August 2022 and of the Group's net income 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.

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 Auditor's 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 UK, including the FRC'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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate accounting records have not been kept by the Charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, the Trustees 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the group and the industry/ sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we held discussions with management.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the group complies with laws and regulations and deals with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- A review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.;
- A review of Board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud and were told there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were the manipulation of the financial statements (including the risk of override of controls) and we determined that the principal risks were related to fraudulent financial reporting, in particular to fraud in revenue recognition and grant funding received.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed grant funding agreements;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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 auditor's report.

Use of our report

This report is made solely to the Charity'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 Charity's Members those matters we are required to state to them in an auditor's 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 Charity and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Hobbs BSc ACA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Sigma House
Oak View Close
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Torquay
Devon
TQ2 7FF

Date: 9 February 2023

Exeter Royal Academy for Deaf Education

Consolidated Statement of Financial Activities for the Year Ended 31 August 2022 *(including Income and Expenditure Account)*

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Income from:				
Donations and grants	2	395,148	19,062	414,210
<i>Charitable activities:</i>				
School fees		4,645,451	-	4,645,451
Professional fees		683,674	-	683,674
Other trading activities	3	38,342	-	38,342
Investments	4	5,211	-	5,211
Other income	5	38,878	-	38,878
Total		5,806,704	19,062	5,825,766
Expenditure on:				
<i>Charitable activities:</i>				
Academy & Children's Home operations		5,414,803	35,585	5,450,388
<i>Raising Funds:</i>				
New Build Fundraising Campaign		-	6,090	6,090
Total	6	5,414,803	41,675	5,456,478
Net income/(expenditure)		391,901	(22,613)	369,288
Other recognised gains and losses				
Gains/(losses) on investment assets	11	2,140	-	2,140
Gain on disposal of tangible fixed assets		44,251	-	44,251
Actuarial gains/ (losses) on defined benefit pension schemes	23	8,654,000	-	8,654,000
Net movement in funds/(deficit)		9,092,292	(22,613)	9,069,679
Reconciliation of funds				
Total Funds brought forward at 1 September 2021		6,017,011	92,823	6,109,834
Total Funds carried forward at 31 August 2022		15,109,303	70,210	15,179,513

Exeter Royal Academy for Deaf Education

Consolidated Statement of Financial Activities for the Year Ended 31 August 2021 *(including Income and Expenditure Account)*

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income from:				
Donations and grants	2	411,895	108,176	520,071
<i>Charitable activities:</i>				
School fees		4,049,310	-	4,049,310
Professional fees		770,035	-	770,035
New Build Fundraising Campaign		-	50,000	50,000
Other trading activities	3	41,674	-	41,674
Investments	4	2,681	-	2,681
Other income	5	25,771	-	25,771
Total		5,301,366	158,176	5,459,542
Expenditure on:				
<i>Charitable activities:</i>				
Academy & Children's Home operations		5,194,537	40,499	5,235,036
Redevelopment expenditure		3,326	-	3,326
<i>Raising Funds:</i>				
New Build Fundraising Campaign		-	6,091	6,091
Total	6	5,197,863	46,590	5,244,453
Net income/(expenditure)		103,503	111,586	215,089
Transfer between funds		2,780,270	(2,780,270)	-
Other recognised gains and losses				
Gains/(losses) on investment assets		9,692	-	9,692
Actuarial (losses)/gains on defined benefit pension schemes	23	(203,000)	-	(203,000)
Net movement in funds/(deficit)		2,690,465	(2,668,684)	21,781
Reconciliation of funds				
Total Funds brought forward at 1 September 2020		3,326,546	2,761,507	6,088,053
Total Funds carried forward at 31 August 2021		6,017,011	92,823	6,109,834

Exeter Royal Academy for Deaf Education

(Registration number: 06585703)

Consolidated Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	17,090,654	17,564,512
Investments	11	64,094	61,954
		<u>17,154,748</u>	<u>17,626,466</u>
Current assets			
Debtors	12	452,198	225,500
Cash at bank and in hand		<u>1,760,072</u>	<u>785,943</u>
		2,212,270	1,011,443
Creditors: Amounts falling due within one year	13	<u>(912,205)</u>	<u>(2,263,786)</u>
Net current assets/(liabilities)		<u>1,300,065</u>	<u>(1,252,343)</u>
Total assets less current liabilities		18,454,813	16,374,123
Creditors: Amounts falling due after more than one year	14	<u>(1,908,300)</u>	<u>(512,289)</u>
Net assets excluding pension liability		16,546,513	15,861,834
Pension scheme liability	23	<u>(1,367,000)</u>	<u>(9,752,000)</u>
Net assets including pension liability		<u>15,179,513</u>	<u>6,109,834</u>
Funds:			
Restricted funds			
New Build Fundraising Campaign		-	6,090
Other restricted funds		<u>70,210</u>	<u>86,733</u>
	15	<u>70,210</u>	<u>92,823</u>
Unrestricted funds			
Revaluation fund		93,026	91,508
Other unrestricted funds		<u>15,016,277</u>	<u>5,925,503</u>
	15	<u>15,109,303</u>	<u>6,017,011</u>
Total funds		<u>15,179,513</u>	<u>6,109,834</u>

The financial statements on pages 15 to 43 were approved by the Trustees, and authorised for issue on 9 February 2023 and signed on their behalf by:

Mr T Collyer
Trustee

Exeter Royal Academy for Deaf Education

(Registration number: 06585703)

Charity Balance Sheet as at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	17,362,029	17,564,512
Investments	11	64,094	61,954
		<u>17,426,123</u>	<u>17,626,466</u>
Current assets			
Debtors	12	453,203	479,527
Cash at bank and in hand		<u>1,760,072</u>	<u>784,537</u>
		2,213,275	1,264,064
Creditors: Amounts falling due within one year	13	<u>(912,205)</u>	<u>(2,246,697)</u>
Net current assets/(liabilities)		<u>1,301,070</u>	<u>(982,633)</u>
Total assets less current liabilities		18,727,193	16,643,833
Creditors: Amounts falling due after more than one year	14	<u>(1,908,300)</u>	<u>(512,289)</u>
Net assets excluding pension liability		16,818,893	16,131,544
Pension scheme liability	23	<u>(1,367,000)</u>	<u>(9,752,000)</u>
Net assets including pension liability		<u>15,451,893</u>	<u>6,379,544</u>
Funds:			
Restricted funds			
New Build Fundraising Campaign		-	6,090
Other restricted funds		<u>70,210</u>	<u>86,733</u>
		70,210	92,823
Unrestricted funds			
Revaluation fund		93,026	91,508
Other unrestricted funds		<u>15,288,657</u>	<u>6,195,213</u>
		15,381,683	6,286,721
Total funds		<u>15,451,893</u>	<u>6,379,544</u>

The financial statements were approved by the Trustees, and authorised for issue on 9 February 2023 and signed on their behalf by:

Mr T Collyer
Trustee

Exeter Royal Academy for Deaf Education

Consolidated Statement of Cash Flows for the Year Ended 31 August 2022

	Note	2022 £	2021 £
Net cash flows from operating activities	18	1,082,434	768,455
Net cash flows from investing activities	19	(104,014)	(548,365)
Net cash flows from financing activities	20	<u>(4,291)</u>	<u>(304,291)</u>
Increase/(decrease) in cash in the year	21	<u>974,129</u>	<u>(84,201)</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention with items being recognised at cost or transaction value unless otherwise stated in the notes to these accounts.

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), and with the requirements of the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS102.

The Charity is incorporated in England and Wales. The address of its registered office is given on page 1.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The functional and presentational currency is sterling.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its sole subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated group statement of financial activities is published, a separate statement of financial activities for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Income

All incoming resources are recognised when the Charity has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations

Donations and legacies are recognised on a receivable basis where there is probability of receipt and the amount can be reliably measured.

Other income

Fees receivable and charges for services are accounted for in the period in which the service is provided.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Charity's educational operations.

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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under the course of construction, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

All fixed assets are initially recorded at cost, except for freehold and leasehold properties acquired before 31 August 2015. Up to and including 31 August 2015 it was the Trustees' policy to revalue freehold properties at depreciated replacement cost in the accounts due to the specialised nature of the asset as a result of the services provided by the Charity. The Trustees adopted the transitional provisions of FRS 102, which provide that companies do not have to revalue tangible fixed assets. Previous valuations have been retained as deemed cost and have not been updated.

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

Asset class

Freehold buildings
Plant and equipment
Motor vehicles

Depreciation method and rate

50 years straight line
20% straight line
20% straight line

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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 Charity 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.

Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

The costs of operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Stock

Stock and work in progress is valued at the lower of cost or net realisable value.

Financial Instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Charity and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the Charity'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. 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 Charity's wholly owned subsidiary are held at face value.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Taxation

The Charity is exempt from taxation to the extent that its income and gains are applied exclusively for charitable purposes.

Pension benefits

Retirement benefits to employees of the Charity are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Charity. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity 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. As stated in the notes to the financial statements, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore 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 scheme and the assets are held separately from those of the Charity 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 charges, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying 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.

The Charity also operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Charity and are independently administered. The amount charged to the SOFA represents the contributions payable to the scheme in respect of the year.

Fund accounting

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

The Charity has several restricted funds. Details of the nature of these funds are given in note 15.

Critical accounting estimates and areas of judgement

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

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

The Charity 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Subsidiary undertaking

The financial statements include the results of Exeter Deaf Academy Trading Limited, a wholly owned subsidiary. Further details of the subsidiary and its results are set out in note 11.

2 Donations and grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Grants	101,505	10,517	112,022	181,763
Donations and sponsorship	8,643	8,545	17,188	105,784
Legacies	285,000	-	285,000	232,524
	395,148	19,062	414,210	520,071

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	-	-	-	-
Other income	38,342	-	38,342	41,674
	38,342	-	38,342	41,674

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

4 Investment income

	Unrestricted funds £	Total 2022 £	Total 2021 £
Bank interest receivable	2,503	2,503	133
Other investment income	2,708	2,708	2,548
	<u>5,211</u>	<u>5,211</u>	<u>2,681</u>

5 Other income

	Unrestricted funds £	Total 2022 £	Total 2021 £
Pupil Premium Income	8,524	8,524	7,695
Other Educational Fees	30,354	30,354	18,076
	<u>38,878</u>	<u>38,878</u>	<u>25,771</u>

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2022 £	Total 2021 £
<i>Charitable activities:</i>					
Academy & Children's Home operations					
Direct costs	2,683,096	-	222,110	2,905,206	2,789,963
Allocated support costs	862,655	946,863	735,664	2,545,182	2,445,073
	<u>3,545,751</u>	<u>946,863</u>	<u>957,774</u>	<u>5,450,388</u>	<u>5,235,036</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

6 Expenditure (continued)

	Staff costs £	Premises £	Other costs £	Total 2022 £	Total 2021 £
Redevelopment expenditure					
Allocated support costs	-	-	-	-	3,326
Raising funds:					
New build fundraising campaign	-	6,090	-	6,090	6,091
	<u>3,545,751</u>	<u>952,953</u>	<u>957,774</u>	<u>5,456,478</u>	<u>5,244,453</u>

Net income/outgoing resources for the year includes:

	2022 £	2021 £
Fees payable to auditor - audit services	16,857	12,588
Fees payable to auditor - other audit services	3,765	3,797
Fees payable to auditor - other financial services	-	2,000
Operating leases	<u>31,849</u>	<u>40,066</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

7 Charitable activities

	Total 2022 £	Total 2021 £
Direct costs	2,905,206	2,789,963
Support costs	2,545,182	2,448,399
	<u>5,450,388</u>	<u>5,238,362</u>

	Educational operations £	Re- development expenditure £	Total 2022 £	Total 2021 £
Analysis of support costs				
Support staff costs	862,655	-	862,655	842,423
Depreciation	621,243	-	621,243	581,538
Premises costs	325,620	-	325,620	310,813
Other support costs	735,664	-	735,664	713,625
Total support costs	<u>2,545,182</u>	<u>-</u>	<u>2,545,182</u>	<u>2,448,399</u>

8 Staff

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	2,822,547	2,740,728
Social security costs	242,359	231,296
Pension costs	480,845	460,314
	<u>3,545,751</u>	<u>3,432,338</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8 Staff (continued)

The average number of persons (including senior management team) employed by the Charity during the year expressed as average headcount was as follows:

	2022 No	2021 No
Charitable Activities		
Teachers & Education Support	61	56
Care	30	32
Support, Estates, Fundraising & Marketing	31	31
	<u>122</u>	<u>119</u>

Higher paid staff

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

	2022 No	2021 No
£60,001 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
£100,001 - £110,000	<u>-</u>	<u>-</u>

The key management personnel of the Charity are 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 Charity was £175,224 (2021 - £186,100).

9 Trustees' remuneration and expenses

The Trustees have not received any remuneration from the charity during the year.

As permitted by the Memorandum and Articles of Association, during the year ended 31 August 2022 travel and subsistence expenses totalling £472 (2021 - £77) were reimbursed or paid directly to one trustee (2021 - one).

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

10 Tangible fixed assets

Group

Current year	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 September 2021	16,616,216	1,902,953	112,158	-	18,631,327
Additions	5,492	111,355	38,225	-	155,072
Disposals	(890)	(1,075)	(15,745)	-	(17,710)
At 31 August 2022	16,620,818	2,013,233	134,638	-	18,768,689
Depreciation					
At 1 September 2021	287,440	696,319	83,056	-	1,066,815
Charge for the year	284,077	325,615	17,642	-	627,334
Eliminated on disposals	-	(369)	(15,745)	-	(16,114)
At 31 August 2022	571,517	1,021,565	84,953	-	1,678,035
Net book value					
At 31 August 2022	16,049,301	991,668	49,685	-	17,090,654
At 31 August 2021	16,328,776	1,206,634	29,102	-	17,564,512

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

10 Tangible fixed assets (continued)

Group (continued)

Previous year	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 September 2020	148,070	579,064	118,653	17,240,989	18,086,776
Additions	380,300	170,746	-	-	551,046
Disposals	-	-	(6,495)	-	(6,495)
Transfers	16,087,846	1,153,143	-	(17,240,989)	-
At 31 August 2021	16,616,216	1,902,953	112,158	-	18,631,327
Depreciation					
At 1 September 2020	8,900	397,225	79,556	-	485,681
Charge for the year	278,540	299,094	9,995	-	587,629
Eliminated on disposals	-	-	(6,495)	-	(6,495)
At 31 August 2021	287,440	696,319	83,056	-	1,066,815
Net book value					
At 31 August 2021	16,328,776	1,206,634	29,102	-	17,564,512
At 31 August 2020	139,170	181,839	39,097	17,240,989	17,601,095

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

10 Tangible fixed assets (continued)

Charity

Current year	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 September 2021	16,616,216	1,902,953	112,158	-	18,631,327
Additions	276,866	111,355	38,225	-	426,446
Disposals	(890)	(1,075)	(15,745)	-	(17,710)
Transfers	-	-	-	-	-
At 31 August 2022	16,892,192	2,013,233	134,638	-	19,040,063
Depreciation					
At 1 September 2021	287,440	696,319	83,056	-	1,066,815
Charge for the year	284,077	325,615	17,642	-	627,334
Eliminated on disposals	-	(367)	(15,745)	-	(16,112)
At 31 August 2022	571,517	1,021,567	84,953	-	1,678,034
Net book value					
At 31 August 2022	16,320,675	991,669	49,685	-	17,362,029
At 31 August 2021	16,328,776	1,206,634	29,102	-	17,564,512

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

10 Tangible fixed assets (continued)

Charity (continued)

Previous year	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 September 2020	148,070	579,064	118,653	16,087,846	16,933,633
Additions	380,300	1,323,889	-	-	1,704,189
Disposals	-	-	(6,495)	-	(6,495)
Transfers	16,087,846	-	-	(16,087,846)	-
At 31 August 2021	16,616,216	1,902,953	112,158	-	18,631,327
Depreciation					
At 1 September 2020	8,900	397,225	79,556	-	485,681
Charge for the year	278,540	299,094	9,995	-	587,629
Eliminated on disposals	-	-	(6,495)	-	(6,495)
At 31 August 2021	287,440	696,319	83,056	-	1,066,815
Net book value					
At 31 August 2021	16,328,776	1,206,634	29,102	-	17,564,512
At 31 August 2020	139,170	181,839	39,097	16,087,846	16,447,952

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

11 Investments

Charity

The Charity owns 100% of the Ordinary shares of Exeter Deaf Academy Trading Limited, a company incorporated in England and Wales (company number: 08172970, registered office: The Deaf Academy, 1 Douglas Avenue, Exmouth, EX8 2AU). The principal activity of the company was the development of a new site for Exeter Royal Academy for Deaf Education.

Turnover for the year ended 31 August 2022 was £274,154 (2021 - £1,375,264), expenditure was £4,113 (2021 - £1,406,983) and the profit for the year was £270,041 (2021 - (£31,719)). The assets of the company at 31 August 2022 were £Nil (2021 - £6,302), liabilities were £998 (2021 - £276,000) and capital and reserves were a deficit of £998 (2021 - £269,698).

Since the end of the year an application has been submitted to strike the company off.

Group and Charity

Quoted Investments

	2022	2021
	£	£
Market value brought forward	61,954	52,262
Disposals	-	-
Revaluation	2,140	9,692
Market value carried forward	64,094	61,954
Historical cost	34,912	34,912

12 Debtors: amounts due within one year

	2022	Group	2022	Charity
	£	2021	£	2021
		£		£
Trade debtors	28,974	44,624	28,974	44,624
Prepayments	33,437	45,719	33,437	45,719
Amounts due from subsidiary undertaking	-	-	-	258,923
Other debtors	389,787	135,157	390,792	130,261
	452,198	225,500	453,203	479,527

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Finance lease liabilities	4,290	4,592	4,290	4,592
Trade creditors	708,065	548,121	708,065	533,568
Other taxation and social security	59,461	57,232	59,461	57,232
Other loans	-	1,400,000	-	1,400,000
Other creditors	29,121	37,066	29,116	37,055
Accruals and deferred income	111,268	216,775	111,268	214,250
	<u>912,205</u>	<u>2,263,786</u>	<u>912,200</u>	<u>2,246,697</u>

The movement in deferred income for the year is as follows:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
At 1 September 2021	49,559	60,005	49,559	60,005
Amount deferred in the year	55,130	49,559	55,130	49,559
Amount released from previous years	(49,559)	(60,005)	(49,559)	(60,005)
At 31 August 2022	<u>55,130</u>	<u>49,559</u>	<u>55,130</u>	<u>49,559</u>

14 Creditors: amounts falling due after more than one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Finance lease liabilities	8,300	12,289	8,300	12,289
Other loans	1,900,000	500,000	1,900,000	500,000
	<u>1,908,300</u>	<u>512,289</u>	<u>1,908,300</u>	<u>512,289</u>

Other loans of £1,400,000 are secured by a charge over the charity's property and due for repayment in November 2023. The remaining £500,000 is unsecured and due for repayment in instalments from 2025 to 2029.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Funds

Group

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Current year:					
Restricted funds					
WK Hutchings Family Support	-	6,000	(6,000)	-	-
Andrew Kensit Cup	13,500	-	(500)	-	13,000
Audio Visual Equipment	11,145	5,545	(4,861)	-	11,829
ICT Suite	29,120	-	(7,280)	-	21,840
Residential Flats	18,000	-	(4,500)	-	13,500
School Classroom	12,328	-	(3,082)	-	9,246
Other restricted funds	2,640	7,517	(9,362)	-	795
	86,733	19,062	(35,585)	-	70,210
New Build Fundraising Campaign	6,090	-	(6,090)	-	-
Total restricted funds	92,823	19,062	(41,675)	-	70,210
Unrestricted funds					
Revaluation fund	91,508	-	-	1,518	93,026
Other unrestricted funds	5,925,503	5,850,955	(5,414,803)	8,654,622	15,016,277
Total unrestricted funds	6,017,011	5,850,955	(5,414,803)	8,656,140	15,109,303
Total funds	6,109,834	5,870,017	(5,456,478)	8,656,140	15,179,513

The restricted funds are set up for the following purposes:

New Build Fundraising Campaign – To support the costs of establishing the new Deaf Academy campus

WK Hutchings Family Support - To enable sign language and support to be delivered to families and to support keeping in touch with students, supporting our Online Academy and transitional support for student leavers.

Andrew Kensit Cup - In memory of student Andrew Kensit, each year a student will be awarded the Cup and a bursary.

Other restricted funds - various smaller projects mainly in connection with video technology, ICT, Sensory Pod, Sports & PE and Literacy

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

15 Funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Previous year:					
Restricted funds					
WK Hutchings Family Support	-	11,500	(11,500)	-	-
Andrew Kensit Cup	14,500	-	(1,000)	-	13,500
Audio Visual Equipment	-	13,931	(2,786)	-	11,145
ICT Suite	-	36,400	(7,280)	-	29,120
Residential Flats	-	22,500	(4,500)	-	18,000
School Classroom	-	15,410	(3,082)	-	12,328
Other restricted funds	4,556	8,435	(10,351)	-	2,640
	19,056	108,176	(40,499)	-	86,733
New Build Fundraising Campaign	2,742,451	50,000	(6,091)	(2,780,270)	6,090
Total restricted funds	2,761,507	158,176	(46,590)	(2,780,270)	92,823
Unrestricted funds					
Revaluation fund	82,438	-	-	9,070	91,508
Other unrestricted funds	3,244,108	5,301,366	(5,197,863)	2,577,892	5,925,503
Total unrestricted funds	3,326,546	5,301,366	(5,197,863)	2,586,962	6,017,011
Total funds	6,088,053	5,459,542	(5,244,453)	(193,308)	6,109,834

The restricted funds are set up for the following purposes:

WK Hutchings Family Support - To enable sign language and support to be delivered to families over a series of weekends.

Andrew Kensit Cup - In memory of student Andrew Kensit, each year a student will be awarded the Andrew Kensit Cup and a bursary.

Other restricted funds - various smaller projects mainly in connection with video technology, ICT, Sensory Pod, Sports & PE and Literacy

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Analysis of net assets between funds – group

Fund balances at 31 August 2022 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	17,033,444	57,210	17,090,654
Investments	64,094	-	64,094
Current assets	2,199,270	13,000	2,212,270
Current liabilities	(2,312,205)	-	(2,312,205)
Creditors over 1 year	(508,300)	-	(508,300)
Pension scheme liability	(1,367,000)	-	(1,367,000)
Total net assets	15,109,303	70,210	15,179,513

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	17,485,189	79,323	17,564,512
Investments	61,954	-	61,954
Current assets	997,943	13,500	1,011,443
Current liabilities	(2,263,786)	-	(2,263,786)
Creditors over 1 year	(512,289)	-	(512,289)
Pension scheme liability	(9,752,000)	-	(9,752,000)
Total net assets	6,017,011	92,823	6,109,834

17 Commitments under operating leases – group and Charity

Operating leases

At 31 August 2022 the group and Charity had total future commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2022 £	2021 £
Other		
Within one year	30,719	31,446
Within two to five years	33,575	60,842
After more than five years	288	-
	64,582	92,288

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2022 £	2021 £
Net income/(expenditure)	369,288	215,089
Depreciation	627,334	587,629
Investment income	(5,211)	(2,681)
Pension scheme charges in excess of cash paid	269,000	241,000
(Increase)/decrease in debtors	(226,698)	214,473
Increase/(decrease) in creditors	48,721	(487,055)
Net cash flows from operating activities	<u>1,082,434</u>	<u>768,455</u>

19 Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(155,072)	(551,046)
Proceeds from the sale of tangible fixed assets	45,847	-
Investment income	5,211	2,681
Net cash flows from investing activities	<u>(104,014)</u>	<u>(548,365)</u>

20 Cash flows from financing activities

	2022 £	2021 £
Repayment of borrowings	-	(300,000)
Repayment of finance lease liabilities	(4,291)	(4,291)
Net cash flows from financing activities	<u>(4,291)</u>	<u>(304,291)</u>

21 Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Non-cash changes £	At 31 August 2022 £
Cash at bank and in hand	785,943	974,129	-	1,760,072
Loans falling due within one year	(1,400,000)	-	1,400,000	-
Loans falling due after more than one year	(500,000)	-	(1,400,000)	(1,900,000)
Finance lease liabilities	(16,881)	4,291	-	(12,590)
	<u>(1,916,881)</u>	<u>4,291</u>	<u>-</u>	<u>(1,912,590)</u>
	<u>(1,130,938)</u>	<u>978,420</u>	<u>-</u>	<u>(152,518)</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

22 Members' liability

The company is limited by guarantee and has no share capital. In the event of a winding up the liability of the members is limited to £1 each.

23 Pension and similar obligations

The Charity's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-teaching staff, and Aegon. Both the TPS and the LGPS are multi-employer defined benefit schemes; Aegon is a defined contribution pension scheme.

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

Contributions amounting to £35,394 were payable to the schemes at 31 August 2022 (2021: £37,382) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,160 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the year amounted to £103,150 (2021 - £100,913).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £165,000 (2021 - £157,000), of which employer's contributions totalled £125,000 (2021 - £129,000) and employees' contributions totalled £27,000 (2021 - £28,000). The agreed contribution rates for future years are 15.4% for employers plus an additional top up for the past service deficit of £66,000 per annum and 5.5% to 12.5% for employees.

Principal actuarial assumptions

	At 31 August 2022 %	At 31 August 2021 %
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65

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

	At 31 August 2022	At 31 August 2021
Retiring today		
Males retiring today	21.7	22.7
Females retiring today	22.9	24.0
Retiring in 20 years		
Males retiring in 20 years	23.0	24.0
Females retiring in 20 years	24.3	25.4

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Pension and similar obligations (continued)

Sensitivity analysis on present value of scheme obligations

	At 31 August 2022 £	At 31 August 2021 £
Discount rate +0.1%	10,693,000	19,296,000
Discount rate -0.1%	11,201,000	20,236,000
Mortality assumption – 1 year increase	11,303,000	20,582,000
Mortality assumption – 1 year decrease	10,597,000	18,971,000
CPI rate +0.1%	11,181,000	20,182,000
CPI rate -0.1%	10,713,000	19,348,000

The actual return on scheme assets was negative £355,000 (2021 – positive £1,690,000).

Amounts recognised in the statement of financial activities

	2022 £	2021 £
Current service cost	66,000	216,000
Interest cost	56,000	148,000
Admin expenses	6,000	6,000
Total amount recognised in the SOFA	128,000	370,000

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

	2022 £	2021 £
At start of period	19,760,000	17,783,000
Current service cost	229,000	216,000
Interest cost	318,000	276,000
Admin expenses	6,000	6,000
Employee contributions	27,000	28,000
Actuarial (gain)/loss *	(9,272,000)	2,309,000
Change in demographic assumptions *	(1,010,000)	(211,000)
Experience loss/(gain) on defined benefit obligations *	1,108,000	(339,000)
Benefits paid	(222,000)	(308,000)
At 31 August	10,944,000	19,760,000

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Pension and similar obligations (continued)

Changes in the fair value of Charity's share of scheme assets:

	2022 £	2021 £
At start of period	10,008,000	8,475,000
Interest income	159,000	128,000
Actuarial (loss)/gain *	(520,000)	1,556,000
Employer contributions	125,000	129,000
Employee contributions	27,000	28,000
Benefits paid	(222,000)	(308,000)
At 31 August	9,577,000	10,008,000
Deficit	1,367,000	9,752,000

* These figures together make up the total actuarial gain of £8,654,000 (2021 – actuarial loss of £203,000) shown in the Statement of Financial Activities.

Aegon Pension Scheme

The Aegon Pension Scheme is a defined contribution scheme. The total contribution made for the year ended 31 August 2022 was £194,965 (2021 - £186,669), of which employer's contributions totalled £149,610 (2021 - £143,360) and employees' contributions totalled £45,355 (2021 - £43,309).

24 Related party transactions

The Charity has taken advantage of the exemption under FRS102 from the disclosure of transactions with its wholly owned subsidiary. There are no other related party transactions that require disclosure.

25 Capital commitments

The Group entered into a contract for the construction of the new school in Exmouth in February 2019. As at 31 August 2022 the group was committed to £Nil (2021 - £39,053) under this contract.

Royal Deaf Education Trust

England & Wales - Charity number 1124523

Accounts



Annual report and consolidated financial statements

For the period 1 September 2020 to 31 August 2021

Exeter Royal Academy for Deaf Education

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Exeter Royal Academy for Deaf Education

Reference and Administrative Details

Trustees (Directors)

Mr A Alexander

Mr P Burroughs (resigned 31 October 2020)

Mr T Collyer, Honorary Treasurer

Mr R Davey

Mr J Dewhirst

Mr C Hampton II

Dr J Harvey, Vice Chair

Dame A Pedder OBE, Chair

Mr D Robertson (appointed 5 November 2020)

Mr R Spencer (appointed 5 November 2020)

Company Secretary

Ms S Papworth (resigned 29 October 2020)

Ms C Quick (appointed 29 October 2020)

Key Management Personnel

Mr S Dewing, Principal

Ms S Papworth, Director of Finance & Resources (resigned 31 October 2020)

Ms C Quick, Director of Finance & Resources (appointed 1 November 2020)

Principal and Registered Office

The Deaf Academy

1 Douglas Avenue

Exmouth

EX8 2AU

Company Registration Number

06585703

Exeter Royal Academy for Deaf Education

Reference and Administrative Details

Independent Auditors

PKF Francis Clark
Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Bankers

National Westminster Bank Plc
59 High Street
Exeter
Devon
EX4 3DP

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2021

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

The Charity, Exeter Royal Academy for Deaf Education, operates a non-maintained, residential special school and an independent specialist college for students aged 5 to 25 years (the Deaf Academy). Students are placed at the Deaf Academy by local authorities in England, Scotland and Wales. The Charity also operates a Children's Home for deaf young people (Rolle House).

Structure, governance and management

Constitution

The Charity is a company limited by guarantee and is a registered charity. The charitable company's memorandum and articles of association are the primary governing documents of the Charity. The company registration number is 06585703, and the charity number is 1124523.

Under the provision of Section 30 of the Companies Act 2006, the company is entitled to omit the word "Limited" from its name.

The Trustees of Exeter Royal Academy for Deaf Education are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

The company is limited by guarantee and has no share capital. In the event of a winding up the liability of the members is limited to £1 each.

Trustees and Governing Body

The Charity has a Board of Trustees which meets at least four times a year. Whilst governance of the Academy is delegated to a Governing Body which meets at least six times a year, the Trustees remain responsible for the Governance of the Charity as a whole.

Method of recruitment and appointment or election of Trustees

The Board of Trustees reviews regularly the composition of itself, the Governing Body, and its various subcommittees. The Trustees look at the blend of experience and skills of all Governors and Trustees to ensure that these meet the needs of the Charity. Where vacancies arise, a formal recruitment process is undertaken. This involves advertising both locally and nationally as well as more informal approaches to individuals who have the relevant skills and experience. Selection is made after a rigorous process including visits to the Charity, where possible within Covid-19 restrictions, and interviews by senior staff as well as Trustees and Governors. Induction is provided to all Trustees and Governors and a programme is organised by the Clerk to the Board of Trustees and Governing Body. Governors are expected to visit the School and College regularly.

The Trustees and Governors undertake skill audits and self-evaluations on a regular basis. This enables the Charity to provide training and development to enhance their understanding and knowledge of the Charity to ensure all Trustees and Governors are able to satisfy themselves of their own performance.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2021

Organisational structure

The revised senior management arrangements implemented from September 2020 established a more streamlined management structure for all elements of the Charity's operations under the leadership of the Principal. Key roles within the Senior Leadership Team have been appointed to during the year with the notable appointment of a new Director of Finance and Resources. In addition, the roles of Assistant Principal Education (Teaching & Learning), Assistant Principal Education (Student Support) and Assistant Principal Care & Safeguarding were appointed. Details of the key management team members within the Academy are shown on page 1.

The Trustees are responsible for determining and reviewing the pay and remuneration for these staff and use benchmark information from both the education and charity sectors to do this.

Risk management

The Trustees are responsible for the management of risks affecting the Charity and have undertaken a review of risks associated with its activities. The key controls used by the Charity include:

- Formal agendas for all Trustees, Governing Body and sub-committee meetings
- Detailed terms of reference for all committee meetings
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Stringent safeguarding arrangements to protect the beneficiaries of the Charity
- Monitoring of key performance indicators

The Trustees and senior managers have undertaken a review and analysis of risk, focusing on the major aspects of operational, financial, governance management, compliance and reputational risk. The work has given rise to steps and procedures to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk.

The principal risks and uncertainties, together with a summary of how they are managed are set out below:

- Safeguarding of students – intensive staff training, safeguarding systems are periodically reviewed, a dedicated Safeguarding team has been established.
- Adverse inspection by regulators, including Ofsted – regular and close scrutiny of all aspects of performance by sub-committees of the Board of Trustees, the Academy Governing Body and Rolle House Management Committee. Ongoing review by external independent advisors, commissioned by the organisation.
- Financial Risk – The Charity undertakes regular financial reporting and planning, including the preparation of a long term financial plan and detailed cashflow. Financial reports are reviewed by the Trustees at their meetings, and by the appointed sub-committee. The Trustees set a financial reserves policy to ensure adequate short term liquidity.
- Student Recruitment and retention – low/insufficient recruitment of students – regular monitoring of enquiries and admissions through the Admissions Group, together with regular scrutiny of the Marketing & Communication Quality Improvement Plan at committee level. The Finance and Resources sub Committee oversees performance on behalf of the Governing Body and Trustees.
- Impact of the Covid-19 pandemic - Arrangements for remote learning and homeworking are well established. Academy has suitably qualified and experienced staff and access to appropriate external sources for advice and guidance. Regular reports are provided to the Governing Body and Board of Trustees.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2021

- Recruiting suitably qualified/experienced staff – Staff vacancies are routinely reviewed by the Senior Leadership Team and enhancing workforce development approaches. Key oversight is provided by the Finance and Resources sub committee and regularly reported to the Governing Body and Board of Trustees

Through the risk management process established by the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been adequately managed.

Objectives and activities

Objects and aims

The Charity's objects, which were revised with the permission of the Charity Commission in 2008, are as follows:

- to provide education, training, care, accommodation, leisure opportunities, welfare and other support services to deaf people and people who are not deaf but who, due to some other disability, would benefit from the same (principally though not exclusively from the counties of Devon, Cornwall, Somerset and Dorset) with the object of developing their personal, mental, physical and spiritual capacities so that they may realise their full potential as individuals and members of their communities and society as a whole and so that their condition of life may be improved; and
- to educate the general public in the needs and capabilities of deaf people with a view to achieving greater integration between deaf and hearing communities.

Objectives, strategies and activities

Students are the primary beneficiaries of the Academy's work. The Academy enables students to learn with other deaf students, within a fully bilingual environment, supporting students to learn in both BSL (British Sign Language) and English depending on their level of needs and abilities. This allows students to acquire language and communication skills, and to develop socially and emotionally. In turn, this supports the students to excel educationally and to achieve independence. The families of the Academy's deaf students also benefit from the support given to them and from the greater wellbeing and achievement of their child. The School and College operates a Student Council which enables students to contribute to the decision making within the Academy. Open days are held for parents and carers, all parents and carers are also invited to the annual review of the education and care provided for their child. Parents and carers also receive newsletters and can communicate with their child and their teachers and care workers through the video conferencing system. The Charity also operates a children's home for deaf young people.

Public benefit

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The Charity provides specialist deaf education which benefits the students who attend the Academy's School & College. Admission to the School & College is open to any student for whom the specialist education has been professionally assessed as appropriate to meet their needs. Fees are charged to allow costs to be recovered, these are usually funded by local authorities and the Education and Skills Funding Agency. Local Authorities benefit as the Charity enables them to meet their statutory responsibilities to educate children with hearing impairment.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2021

The wider community benefits because many of the Academy's students participate in work-placements and other events in the community, raising awareness of deafness.

The Charity is committed to the greater integration of deaf and hearing communities and seeks to raise awareness of deafness and promote the capabilities of deaf people through publicity, partnership working, fundraising and similar activities.

Equality and Diversity

Respecting diversity is one of the Charity's key values and we are committed to being an inclusive organisation where diversity is celebrated and valued.

The Charity strives to create a culture where mutual cooperation, respect, dignity and trust are fostered. The Charity will not tolerate unfair or unlawful treatment on the grounds of age, disability, gender, transgender, marital status, race, colour, ethnic origin, socioeconomic background, sexual orientation, nationality, trade union membership and activity, philosophical, political or religious beliefs or unbelief, and pregnancy or maternity.

The Charity's Equality & Diversity Policy articulates this commitment and ensures that all staff, students and volunteers are treated fairly and have equal access to learning programmes, facilities and employment opportunities.

Strategic Report

Achievements and performance

Operational performance

Welcoming our students to the new Academy in Exmouth marked a key achievement of the Charity's strategic objective that had been the focus of the work of the Trustees for many years. Our new purpose-built Academy designed with the help of specialists experienced in creating Deaf friendly spaces has been a triumph. Our education facilities and residential care accommodation are excellent and provide a splendid environment within which our students and staff can flourish. It has been a delight to see how much our students appreciate the facilities they have and the benefit this has created for them in so many ways.

Despite the continuing pressures created by COVID 19, excellent progress has been made in year. Through an aspirational commitment to give students their full entitlement of face to face teaching, good planning and implementation of COVID secure measures, there was very little disruption to face to face "in person teaching". With very few lessons cancelled and only one period where groups were moved online, albeit having staff shortages and outbreaks. This is a tribute to the hard work and ingenuity of our staff and leadership team to whom the Trustees are very grateful.

Due to the pandemic Ofsted did not conduct routine inspections or monitoring visits for the education and care services provided by the Academy during 2020/2021. An interim visit took place for College in November 2020 to assess the Academy's response to the pandemic and ensuring student entitlement. Although not graded, this was a positive report. Inspections re-commenced in September 2021.

A full Inspection of the Children's Home (Rolle House) took place in October 2021. This was the first inspection of the provision in the new premises and was graded as requires improvement to be good. The Children's Home has had a challenging year and the leadership team have in place a robust plan and measures to be on track to return to good. Residential Care was inspected in September 2021 and continued to be graded as Good in all areas.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2021

For the Academic year 2020/2021 a new curriculum structure was introduced, based on our core principles of Rich Language Acquisition, Empowering Knowledge of Skills, Collaborative Approach, Strong Identity, Aspiration and Independence. This included the introduction of a broader curriculum with a greater linkage to national curriculum frameworks applied through deaf education/SEN (Special Education Needs) pedagogic approaches. This was also accompanied by a new programme structure, in class support and leadership and management arrangements. This is a significant task and implementation continues with further subject level development into 2021/2022 and a wider evaluation against the core principles.

Student achievement and performance improved significantly in 2020/2021. The Academy's focus on literacy can be seen to be delivering the anticipated benefit to overall student performance. Our student's results in 2020/2021 in core areas (English, Maths & BSL) are the best results achieved for over 5 years.

The number of students enrolled at the Academy during the year exceeded planned numbers and there has been a significant increase in the number of applications, assessments and placement of students in 2021/2022.

In April 2020, the Academy implemented a ground-breaking online learning programme that met the varied, and complex needs of every student. We made sure to consider their language acquisition, additional needs, including visual impairments and autism, along with the heightened levels of anxiety due to the pandemic. Our Online Academy was a platform that offered community, connection and learning. The Academy won a number of awards for the Online Academy and for the support provided to our students and the wider deaf community during the pandemic. Two of our teachers won the Gold award at the Pearson National Teaching Awards for 'Lockdown Hero'. The Academy was shortlisted for TES FE Awards 2021 for 'Outstanding use of technology in delivering remote teaching and learning' and won the NASS 2021 Innovation Award.

The Academy also won several awards for our new premises and facilities at Exmouth. We won 3 awards at the Education Estates Awards 2021, including 'Inclusive Learning Spaces for All Award'. More recently the Academy won the 'Acoustics for Inclusion' award at the Association of Noise Consultants.

The Trustees have great confidence in the service improvement that has been achieved and the programme of further development that is in place. Led by the ambitious and passionate leadership team and supported by committed staff the Charity's improvement trajectory continues. The Academy's reputation as a place of excellence in education and care for deaf young people is growing and is gaining national prominence for the quality and innovation of the education and care it offers.

The Trustees are very grateful to the many organisations and individuals who generously contributed funds which made the completion of our new Academy possible and who continue to support us. The Trustees were particularly grateful for a generous legacy received in the year towards the new Academy. We would also like to thank the community of Exmouth for welcoming us and for the encouragement and support they provide to our student community.

An important element we are addressing is the changing profile of our students as increasing numbers face the challenges of additional, often multiple additional needs as well as being Deaf. These can range from Complex needs, Autism, Learning Difficulties, Social Emotional Mental Health Needs to physical or medical needs. The Charity, through the Academy and Children's Home, is developing new ways of teaching, supporting and caring to support these young people while developing our workforce and forging new partnerships with specialist providers. We are at the beginning of a new chapter in our Charity's history, focussed on our aspiration to enable deaf young people to excel and achieve their full potential.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2021

Our particular thanks and appreciation go to our Senior Leadership Team, our education, care and support colleagues for the hard work, dedication and resilience they have demonstrated during this our second unprecedented year. Finally, our thanks also go to our students, they are a source of inspiration and pride. Life during the pandemic has been challenging for everyone in our society, our students have coped remarkably well and are a tribute to their parents, carers and the staff at the Academy who support them.

Going concern

At the date of approval of the accounts the Charity has an adequate level of cash reserves. Throughout the third national Covid 19 lockdown the Academy was able to offer full entitlement to students and all elements of our service remained open. Fee income is strong, student numbers have increased and applications for admission to the school and college rolls are growing. The new facilities in Exmouth enable us to confidently plan for future growth. The Trustees have reviewed the cash forecasts and commitments and are satisfied there are adequate financing arrangements in place. The £1.4m loan, shown as a current liability at the Balance Sheet date, has been refinanced since the financial year end with a two-year term. Taking all these factors into consideration the Trustees consider that the Charity should 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 Statement of Accounting Policies.

Financial review

The Group's freely available reserves are calculated at £196k at the balance sheet date. Restricted funds held for the new build project were released during 2020/2021 to general reserves upon completion of the new build project and restrictions fulfilled. The freely available reserves are made up of the unrestricted current assets, including investments, less unrestricted current liabilities. The £1.4m loan, shown as current liabilities at the Balance Sheet date, has not been deducted in this calculation, as this has been re-financed since the year end.

The Group's total reserves have increased by £22k during the year ended 31 August 2021. This results from the operating surplus of £215k, the gains on investments of £10k and the negative adjustment of £203k in respect of the increased Financial Reporting Standard (FRS) 102 Local Government Pension Scheme liability. The Charity has a significant annual depreciation charge, £581k in 2020/2021, due to the new purpose built Academy and its facilities.

Reserves policy

The Trustees have reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. The current level of reserves is considered essential to manage any future changes in special educational needs policy reform and deficits in Local Authorities high needs funding and the impact of the Covid-19 pandemic. A significant proportion of the reserves relates to gains on fixed asset disposals of the Topsham Road and Hill Barton sites which have been reinvested in the new Exmouth site. Following completion of the new build, the intention, is to aim for liquid reserve levels equivalent to six months' running costs, as this is generally considered to be good practice, providing stability and security to the Charity without being at an excessive level.

The Trustees are also mindful of the Charity's long term liability in respect of its share of the deficit on the Local Government Pension Scheme, which is a defined benefit scheme. At the balance sheet date, this totalled £9.752m as calculated under FRS 102. Although no immediate cash-flow implications arise from this, the Trustees are aware that increases in contribution rates may be required as a result of the deficit and that this may impact adversely on operating costs in the future.

Exeter Royal Academy for Deaf Education

Trustees' Report for the Year Ended 31 August 2021

Reserves are held within unrestricted funds containing investments of £62k and bank deposit funds of £786k. The balance of unrestricted funds is held in other assets and liabilities, which includes a revenue account deficit resulting from the full adoption of FRS 102. From 2007-08 onwards, the Local Government Pension Scheme actuaries have treated the Charity as a single employer and therefore full provision of the pension deficit is required, this equates to £9.752m and is as shown on the face of the balance sheet; the Charity's reserves are reduced accordingly. Investments are split between Fixed Interest and Equity Shares and held within Common Investment Funds.

Investment policy

The objective of the investment policy is to maximise the total return of the funds whilst avoiding undue risk. No additional funds have been placed into investments during the period. The investment policy and investments held by the Charity will continue to be reviewed annually.

Investment performance

The investments are held within Common Investment Funds and are divided between Fixed Interest and Equity shares. The market value of investments at the balance sheet date was £62k. These funds have produced an income of £3k for the reporting period.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees on 27 January 2022 and was signed on its behalf by:

Dame A Pedder OBE

Chair

Exeter Royal Academy for Deaf Education

Statement of Trustees' Responsibilities

The Trustees (who are 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

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

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education

Opinion

We have audited the financial statements of Exeter Royal Academy for Deaf Education (the 'Charity') and its subsidiaries (the 'Group') for the year ended 31 August 2021, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Group and the Charity as at 31 August 2021 and of the Group's net income 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.

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 Auditor's 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 UK, including the FRC'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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

- adequate accounting records have not been kept by the Charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, the Trustees 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the group and the industry/ sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we held discussions with management.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily FRS 102 (effective 1 January 2019) - (Charities SORP), the Companies Act 2006 and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the group complies with laws and regulations and deals with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- A review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.;
- A review of Board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud and were told there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were the manipulation of the financial statements (including the risk of override of controls) and we determined that the principal risks were related to fraudulent financial reporting, in particular to fraud in revenue recognition and grant funding received.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed grant funding agreements;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Exeter Royal Academy for Deaf Education

Independent Auditor's Report on the Financial Statements to the Members of Exeter Royal Academy for Deaf Education (continued)

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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 auditor's report.

Use of our report

This report is made solely to the Charity'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 Charity's Members those matters we are required to state to them in an auditor's 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 Charity and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Hobbs BSc ACA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Date: 18 February 2022

Exeter Royal Academy for Deaf Education

Consolidated Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income from:				
Donations and grants	2	411,895	108,176	520,071
<i>Charitable activities:</i>				
School fees		4,049,310	-	4,049,310
Professional fees		770,035	-	770,035
New Build Fundraising Campaign		-	50,000	50,000
Other trading activities	3	41,674	-	41,674
Investments	4	2,681	-	2,681
Other income	5	25,771	-	25,771
Total		5,301,366	158,176	5,459,542
Expenditure on:				
<i>Charitable activities:</i>				
Academy & Children's Home operations		5,194,537	40,499	5,235,036
Redevelopment expenditure		3,326	-	3,326
<i>Raising Funds:</i>				
New Build Fundraising Campaign		-	6,091	6,091
Total	6	5,197,863	46,590	5,244,453
Net income/(expenditure)		103,503	111,586	215,089
Transfer between funds		2,780,270	(2,780,270)	-
Other recognised gains and losses				
Gains/(losses) on investment assets		9,692	-	9,692
Actuarial (losses)/gains on defined benefit pension schemes	23	(203,000)	-	(203,000)
Net movement in funds/(deficit)		2,690,465	(2,668,684)	21,781
Reconciliation of funds				
Total Funds brought forward at 1 September 2020		3,326,546	2,761,507	6,088,053
Total Funds carried forward at 31 August 2021		6,017,011	92,823	6,109,834

Exeter Royal Academy for Deaf Education

Consolidated Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income from:				
Donations and grants	2	111,882	18,137	130,019
<i>Charitable activities:</i>				
School fees		3,587,626	-	3,587,626
Professional fees		436,586	-	436,586
New Build Fundraising Campaign		-	901,778	901,778
Other trading activities	3	36,258	-	36,258
Investments	4	8,611	-	8,611
Other income	5	19,760	-	19,760
Total		4,200,723	919,915	5,120,638
Expenditure on:				
<i>Charitable activities:</i>				
Academy & Children's Home operations		4,606,936	22,140	4,629,076
Redevelopment expenditure		81,990	-	81,990
<i>Raising Funds:</i>				
New Build Fundraising Campaign		175,408	14,265	189,673
Total	6	4,864,334	36,405	4,900,739
Net income/(expenditure)		(663,611)	883,510	219,899
Other recognised gains and losses				
(Losses)/gains on investment assets		(18,140)	-	(18,140)
Actuarial (losses)/gains on defined benefit pension schemes	23	(640,000)	-	(640,000)
Impairment of tangible fixed assets		238,718	-	238,718
Net movement in (deficit)/funds		(1,083,033)	883,510	(199,523)
Reconciliation of funds				
Total Funds brought forward at 1 September 2019		4,409,579	1,877,997	6,287,576
Total Funds carried forward at 31 August 2020		3,326,546	2,761,507	6,088,053

Exeter Royal Academy for Deaf Education

(Registration number: 06585703)

Consolidated Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	17,564,512	17,601,095
Investments	11	61,954	52,262
		<u>17,626,466</u>	<u>17,653,357</u>
Current assets			
Debtors	12	225,500	439,973
Cash at bank and in hand		785,943	870,144
		<u>1,011,443</u>	<u>1,310,117</u>
Creditors: Amounts falling due within one year	13	(2,263,786)	(1,650,399)
Net current assets/(liabilities)		<u>(1,252,343)</u>	<u>(340,282)</u>
Total assets less current liabilities		16,374,123	17,313,075
Creditors: Amounts falling due after more than one year	14	(512,289)	(1,917,022)
Net assets excluding pension liability		15,861,834	15,396,053
Pension scheme liability	23	(9,752,000)	(9,308,000)
Net assets including pension liability		<u>6,109,834</u>	<u>6,088,053</u>
Funds:			
Restricted funds			
New Build Fundraising Campaign		6,090	2,742,451
Other restricted funds		86,733	19,056
	15	<u>92,823</u>	<u>2,761,507</u>
Unrestricted funds			
Revaluation fund		91,508	82,438
Other unrestricted funds		5,925,503	3,244,108
	15	<u>6,017,011</u>	<u>3,326,546</u>
Total funds		<u>6,109,834</u>	<u>6,088,053</u>

The financial statements on pages 15 to 42 were approved by the Trustees, and authorised for issue on 27 January 2022 and signed on their behalf by:

Mr T Collyer
Trustee

Exeter Royal Academy for Deaf Education

(Registration number: 06585703)

Balance Sheet as at 31 August 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	17,564,512	16,447,952
Investments	11	61,954	52,262
		<u>17,626,466</u>	<u>16,500,214</u>
Current assets			
Debtors	12	479,527	1,546,694
Cash at bank and in hand		784,537	830,002
		<u>1,264,064</u>	<u>2,376,696</u>
Creditors: Amounts falling due within one year	13	(2,246,697)	(1,325,849)
Net current assets / (liabilities)		<u>(982,633)</u>	<u>1,050,847</u>
Total assets less current liabilities		16,643,833	17,551,061
Creditors: Amounts falling due after more than one year	14	(512,289)	(1,917,022)
Net assets excluding pension liability		16,131,544	15,634,039
Pension scheme liability	23	(9,752,000)	(9,308,000)
Net assets including pension liability		<u>6,379,544</u>	<u>6,326,039</u>
Funds:			
Restricted funds			
New Build Fundraising Campaign		6,090	2,742,451
Other restricted funds		86,733	19,056
		<u>92,823</u>	<u>2,761,507</u>
Unrestricted funds			
Revaluation fund		91,508	82,438
Other unrestricted funds		6,195,213	3,482,094
		<u>6,286,721</u>	<u>3,564,532</u>
Total funds		<u>6,379,544</u>	<u>6,326,039</u>

The financial statements were approved by the Trustees, and authorised for issue on 27 January 2022 and signed on their behalf by:

Mr T Collyer
Trustee

Exeter Royal Academy for Deaf Education

Consolidated Statement of Cash Flows for the Year Ended 31 August 2021

	Note	2021 £	2020 £
Net cash flows from operating activities	18	768,455	2,711,737
Net cash flows from investing activities	19	(548,365)	(6,477,746)
Net cash flows from financing activities	20	<u>(304,291)</u>	<u>1,296,069</u>
Decrease in cash in the year	21	<u>(84,201)</u>	<u>(2,469,940)</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention with items being recognised at cost or transaction value unless otherwise stated in the notes to these accounts.

The financial statements have been prepared in accordance with 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 (FRS102) (effective 1 January 2019) – (Charities SORP (FRS 102)), and with the requirements of the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS102.

The Charity is incorporated in England and Wales. The address of its registered office is given on page 1.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The functional and presentational currency is sterling.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Charity and its sole subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated group statement of financial activities is published, a separate statement of financial activities for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Income

All incoming resources are recognised when the Charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations

Donations and legacies are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Fees receivable and charges for services are accounted for in the period in which the service is provided.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Charity's educational operations.

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.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under the course of construction, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

All fixed assets are initially recorded at cost, except for freehold and leasehold properties acquired before 31 August 2015. Up to and including 31 August 2015 it was the Trustees' policy to revalue freehold properties at depreciated replacement cost in the accounts due to the specialised nature of the asset as a result of the services provided by the Charity. The Trustees adopted the transitional provisions of FRS 102, which provide that companies do not have to revalue tangible fixed assets. Previous valuations have been retained as deemed cost and have not been updated.

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

Asset class

Freehold buildings
Plant and equipment
Motor vehicles

Depreciation method and rate

50 years straight line
20% straight line
20% straight line

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 Charity 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.

Provisions

Provisions are recognised when the Charity has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

The costs of operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of financial activities in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Stock

Stock and work in progress is valued at the lower of cost or net realisable value.

Financial Instruments

The Charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Charity and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the Charity'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. 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 Charity's wholly owned subsidiary are held at face value.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Taxation

The Charity is exempt from taxation to the extent that its income and gains are applied exclusively for charitable purposes.

Pension benefits

Retirement benefits to employees of the Charity are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Charity. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity 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. As stated in the notes to the financial statements, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore 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 scheme and the assets are held separately from those of the Charity 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 charges, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying 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.

The Charity also operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Charity and are independently administered. The amount charged to the SOFA represents the contributions payable to the scheme in respect of the year.

Fund accounting

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

The Charity has several restricted funds. Details of the nature of these funds are given in note 15.

Critical accounting estimates and areas of judgement

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

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

The Charity 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Subsidiary undertaking

The financial statements include the results of Exeter Deaf Academy Trading Limited, a wholly owned subsidiary. Further details of the subsidiary and its results are set out in note 11.

2 Donations and grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Grants	166,780	14,983	181,763	123,870
Donations and sponsorship	12,591	93,193	105,784	5,346
Legacies	232,524	-	232,524	803
	411,895	108,176	520,071	130,019

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	-	-	-	4,225
Other income	41,674	-	41,674	32,033
	41,674	-	41,674	36,258

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

4 Investment income

	Unrestricted funds £	Total 2021 £	Total 2020 £
Bank interest receivable	133	133	5,124
Other investment income	2,548	2,548	3,487
	<u>2,681</u>	<u>2,681</u>	<u>8,611</u>

5 Other income

	Unrestricted funds £	Total 2021 £	Total 2020 £
Pupil Premium Income	7,695	7,695	4,985
Other Educational Fees	18,076	18,076	14,775
	<u>25,771</u>	<u>25,771</u>	<u>19,760</u>

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2021 £	Total 2020 £
<i>Charitable activities:</i>					
Academy & Children's Home operations					
Direct costs	2,589,915	-	200,048	2,789,963	2,693,962
Allocated support costs	842,423	892,352	710,298	2,445,073	1,935,114
	<u>3,432,338</u>	<u>892,352</u>	<u>910,346</u>	<u>5,235,036</u>	<u>4,629,076</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6 Expenditure (continued)

	Staff costs £	Premises £	Other costs £	Total 2021 £	Total 2020 £
Redevelopment expenditure					
Allocated support costs	-	3,326	-	3,326	81,990
Raising funds:					
New build fundraising campaign	-	6,091	-	6,091	189,673
	3,432,338	901,769	910,346	5,244,453	4,900,739

Net income/outgoing resources for the year includes:

	2021 £	2020 £
Fees payable to auditor - audit services	12,588	12,010
Fees payable to auditor - other audit services	3,797	3,640
Fees payable to auditor - other financial services	2,000	7,230
Operating leases	40,066	37,211

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Charitable activities

	Total 2021 £	Total 2020 £
Direct costs	2,789,963	2,693,962
Support costs	2,448,399	2,017,104
	<u>5,238,362</u>	<u>4,711,066</u>

	Educational operations £	Re- development expenditure £	Total 2021 £	Total 2020 £
Analysis of support costs				
Support staff costs	842,423	-	842,423	893,524
Depreciation	581,538	-	581,538	55,912
Premises costs	310,813	-	310,813	319,661
Other support costs	710,299	3,326	713,625	748,007
Total support costs	<u>2,445,073</u>	<u>3,326</u>	<u>2,448,399</u>	<u>2,017,104</u>

8 Staff

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	2,740,728	2,902,639
Social security costs	231,296	241,814
Pension costs	460,314	467,018
	<u>3,432,338</u>	<u>3,611,471</u>

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

The average number of persons (including senior management team) employed by the Charity during the year expressed as average headcount was as follows:

	2021 No	2020 No
Charitable Activities		
Teachers & Education Support	56	61
Care	32	33
Support, Estates, Fundraising & Marketing	31	30
	<u>119</u>	<u>124</u>

Higher paid staff

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

	2021 No	2020 No
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£100,001 - £110,000	-	1

The key management personnel of the Charity are 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 Charity was £186,100 (2020 - £404,547).

9 Trustees' remuneration and expenses

During the previous year the Charity made payments to a trustee, Peter Burroughs, totalling £9,445 in relation to consultancy services, rather than for his services as a Trustee. This amount was owed to Mr Burroughs at 31 August 2020. There was no such transaction in the year ended 31 August 2021.

As permitted by the Memorandum and Articles of Association, during the year ended 31 August 2021 travel and subsistence expenses totalling £77 (2020 - £1,069) were reimbursed or paid directly to one trustee (2020 - three).

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10 Tangible fixed assets

Group

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 September 2020	148,070	579,064	118,653	17,240,989	18,086,776
Additions	380,300	170,746	-	-	551,046
Disposals	-	-	(6,495)	-	(6,495)
Transfers	16,087,846	1,153,143	-	(17,240,989)	-
At 31 August 2021	16,616,216	1,902,953	112,158	-	18,631,327
Depreciation					
At 1 September 2020	8,900	397,225	79,556	-	485,681
Charge for the year	278,540	299,094	9,995	-	587,629
Eliminated on disposals	-	-	(6,495)	-	(6,495)
At 31 August 2021	287,440	696,319	83,056	-	1,066,815
Net book value					
At 31 August 2021	16,328,776	1,206,634	29,102	-	17,564,512
At 31 August 2020	139,170	181,839	39,097	17,240,989	17,601,095

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10 Tangible fixed assets (continued)

Group (continued)

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 September 2019	176,617	2,627,523	92,847	10,356,822	13,253,809
Additions	-	118,443	45,532	8,348,318	8,512,293
Disposals	(28,547)	(2,166,902)	(19,726)	(1,464,151)	(3,679,326)
At 31 August 2020	148,070	579,064	118,653	17,240,989	18,086,776
Depreciation					
At 1 September 2019	14,770	2,432,369	89,283	-	2,536,422
Charge for the year	890	55,788	9,999	-	66,677
Eliminated on disposals	(6,760)	(2,090,932)	(19,726)	-	(2,117,418)
At 31 August 2020	8,900	397,225	79,556	-	485,681
Net book value					
At 31 August 2020	139,170	181,839	39,097	17,240,989	17,601,095
At 31 August 2019	161,847	195,154	3,564	10,356,822	10,717,387

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10 Tangible fixed assets (continued)

Charity

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 September 2020	148,070	579,064	118,653	16,087,846	16,933,633
Additions	380,300	1,323,889	-	-	1,704,189
Disposals	-	-	(6,495)	-	(6,495)
Transfers	16,087,846	-	-	(16,087,846)	-
At 31 August 2021	16,616,216	1,902,953	112,158	-	18,631,327
Depreciation					
At 1 September 2020	8,900	397,225	79,556	-	485,681
Charge for the year	278,540	299,094	9,995	-	587,629
Eliminated on disposals	-	-	(6,495)	-	(6,495)
At 31 August 2021	287,440	696,319	83,056	-	1,066,815
Net book value					
At 31 August 2021	16,328,776	1,206,634	29,102	-	17,564,512
At 31 August 2020	139,170	181,839	39,097	16,087,846	16,447,952

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10 Tangible fixed assets (continued)

Charity (continued)

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 September 2019	176,617	2,627,523	92,847	10,257,486	13,154,473
Additions	-	118,443	45,532	7,294,511	7,458,486
Disposals	(28,547)	(2,166,902)	(19,726)	(1,464,151)	(3,679,326)
At 31 August 2020	148,070	579,064	118,653	16,087,846	16,933,633
Depreciation					
At 1 September 2019	14,770	2,432,369	89,283	-	2,536,422
Charge for the year	890	55,788	9,999	-	66,677
Eliminated on disposals	(6,760)	(2,090,932)	(19,726)	-	(2,117,418)
At 31 August 2020	8,900	397,225	79,556	-	485,681
Net book value					
At 31 August 2020	139,170	181,839	39,097	16,087,846	16,447,952
At 31 August 2019	161,847	195,154	3,564	10,257,486	10,618,051

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

11 Investments

Charity

The Charity owns 100% of the Ordinary shares of Exeter Deaf Academy Trading Limited, a company incorporated in England and Wales (company number: 08172970, registered office: The Deaf Academy, 1 Douglas Avenue, Exmouth, EX8 2AU). The principal activity of the company is the development of a new site for Exeter Royal Academy for Deaf Education.

Turnover for the year ended 31 August 2021 was £1,375,264 (2020 - £6,698,838), expenditure was £1,406,983 (2020 - £6,772,675) and the loss for the year was £31,719 (2020 - £73,837). The assets of the company at 31 August 2021 were £6,302 (2020 - £1,266,706), liabilities were £276,000 (2020 - £1,504,685) and capital and reserves were a deficit of £269,698 (2020 - £237,979).

Group and Charity

Quoted Investments

	2021	2020
	£	£
Market value brought forward	52,262	270,611
Disposals	-	(206,214)
Revaluation	9,692	(12,135)
Market value carried forward	61,954	52,262
Historical cost	34,912	34,912

12 Debtors: amounts due within one year

	2021	Group	2021	Charity
	£	2020	£	2020
		£		£
Trade debtors	44,624	34,280	44,624	34,280
Prepayments	45,719	62,915	45,719	62,915
Amounts due from subsidiary undertaking	-	-	258,923	1,180,141
Other debtors	135,157	342,778	130,261	269,358
	225,500	439,973	479,527	1,546,694

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

13 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Finance lease liabilities	4,592	4,150	4,592	4,150
Trade creditors	548,121	803,762	533,568	615,605
Other taxation and social security	57,232	61,077	57,232	61,077
Other loans	1,400,000	300,000	1,400,000	300,000
Other creditors	37,066	36,229	37,055	36,229
Accruals and deferred income	216,775	445,181	214,250	308,788
	<u>2,263,786</u>	<u>1,650,399</u>	<u>2,246,697</u>	<u>1,325,849</u>

Included within other loans is £1,400,000 (2020: £Nil – shown as amount falling due after more than one year) of loans which are secured by a charge over the Charity's property. This loan was due for repayment in December 2021, and has been re-financed since the year end, for a further two-year term. The new loan is also secured by a charge over the Charity's property.

The movement in deferred income for the year is as follows:

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
At 1 September 2020	60,005	52,731	60,005	52,731
Amount deferred in the year	49,559	60,005	49,559	60,005
Amount released from previous years	(60,005)	(52,731)	(60,005)	(52,731)
At 31 August 2021	<u>49,559</u>	<u>60,005</u>	<u>49,559</u>	<u>60,005</u>

14 Creditors: amounts falling due after more than one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Finance lease liabilities	12,289	17,022	12,289	17,022
Other loans	500,000	1,900,000	500,000	1,900,000
	<u>512,289</u>	<u>1,917,022</u>	<u>512,289</u>	<u>1,917,022</u>

Included within other loans is £Nil (2020: £1,400,000) of loans which are secured by a charge over the Charity's property.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15 Funds

Group

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted funds					
WK Hutchings Family Support	-	11,500	(11,500)	-	-
Andrew Kensit Cup	14,500	-	(1,000)	-	13,500
Audio Visual Equipment	-	13,931	(2,786)	-	11,145
ICT Suite	-	36,400	(7,280)	-	29,120
Residential Flats	-	22,500	(4,500)	-	18,000
School Classroom	-	15,410	(3,082)	-	12,328
Other restricted funds	4,556	8,435	(10,351)	-	2,640
	19,056	108,176	(40,499)	-	86,733
New Build Fundraising Campaign	2,742,451	50,000	(6,091)	(2,780,270)	6,090
Total restricted funds	2,761,507	158,176	(46,590)	(2,780,270)	92,823
Unrestricted funds					
Revaluation fund	82,438	-	-	9,070	91,508
Other unrestricted funds	3,244,108	5,301,366	(5,197,863)	2,577,892	5,925,503
Total unrestricted funds	3,326,546	5,301,366	(5,197,863)	2,586,962	6,017,011
Total funds	6,088,053	5,459,542	(5,244,453)	(193,308)	6,109,834

The restricted funds are set up for the following purposes:

New Build Fundraising Campaign – To support the costs of establishing the new Deaf Academy campus

WK Hutchings Family Support - To enable sign language and support to be delivered to families and to support keeping in touch with students, supporting our Online Academy and transitional support for student leavers.

Andrew Kensit Cup - In memory of student Andrew Kensit, each year a student will be awarded the Cup and a bursary.

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15 Funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted funds					
WK Hutchings Family Support	-	16,137	(16,137)	-	-
Andrew Kensit Cup	15,000	-	(500)	-	14,500
Other restricted funds	8,059	2,000	(5,503)	-	4,556
	23,059	18,137	(22,140)	-	19,056
New Build Fundraising Campaign	1,854,938	901,778	(14,265)	-	2,742,451
Total restricted funds	1,877,997	919,915	(36,405)	-	2,761,507
Unrestricted funds					
Revaluation fund	148,654	-	-	(66,216)	82,438
Other unrestricted funds	4,260,925	4,200,723	(4,864,334)	(353,206)	3,244,108
Total unrestricted funds	4,409,579	4,200,723	(4,864,334)	(419,422)	3,326,546
Total funds	6,287,576	5,120,638	(4,900,739)	(419,422)	6,088,053

The restricted funds are set up for the following purposes:

WK Hutchings Family Support - To enable sign language and support to be delivered to families over a series of weekends.

Andrew Kensit Cup - In memory of student Andrew Kensit, each year a student will be awarded the Andrew Kensit Cup and a bursary.

Other restricted funds - various smaller projects mainly in connection with video technology, ICT, Sensory Pod, Sports & PE and Literacy

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Analysis of net assets between funds – group

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	17,485,189	79,323	17,564,512
Investments	61,954	-	61,954
Current assets	997,943	13,500	1,011,443
Current liabilities	(2,263,786)	-	(2,263,786)
Creditors over 1 year	(512,289)	-	(512,289)
Pension scheme liability	(9,752,000)	-	(9,752,000)
Total net assets	6,017,011	92,823	6,109,834

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	17,584,358	16,737	17,601,095
Investments	52,262	-	52,262
Current assets	(1,434,653)	2,744,770	1,310,117
Current liabilities	(1,650,399)	-	(1,650,399)
Creditors over 1 year	(1,917,022)	-	(1,917,022)
Pension scheme liability	(9,308,000)	-	(9,308,000)
Total net assets	3,326,546	2,761,507	6,088,053

17 Commitments under operating leases – group and Charity

Operating leases

At 31 August 2021 the group and Charity had total future commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2021 £	2020 £
Other		
Within one year	31,446	40,066
Within two to five years	60,842	89,960
After more than five years	-	1,620
	92,288	131,646

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Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

18 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2021 £	2020 £
Net income/(expenditure)	215,089	219,899
Depreciation	587,629	66,677
Investment income	(2,681)	(8,611)
Pension scheme charges in excess of cash paid	241,000	240,000
Decrease/(Increase) in debtors	214,473	2,180,086
Increase/(Decrease) in creditors	(487,055)	13,686
Net cash flows from operating activities	<u>768,455</u>	<u>2,711,737</u>

19 Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(551,046)	(8,487,190)
Proceeds from the sale of tangible fixed assets	-	1,800,625
Investment income	2,681	8,611
Proceeds from sale of investments	-	200,208
Net cash flows from investing activities	<u>(548,365)</u>	<u>(6,477,746)</u>

20 Cash flows from financing activities

	2021 £	2020 £
Proceeds from borrowings	-	1,700,000
Repayment of borrowings	(300,000)	(400,000)
Repayment of finance lease liabilities	(4,291)	(3,931)
Net cash flows from financing activities	<u>(304,291)</u>	<u>1,296,069</u>

21 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Non-cash changes £	At 31 August 2021 £
Cash at bank and in hand	870,144	(84,201)	-	785,943
Loans falling due within one year	(300,000)	300,000	(1,400,000)	(1,400,000)
Loans falling due after more than one year	(1,900,000)	-	1,400,000	(500,000)
Finance lease liabilities	(21,172)	4,291	-	(16,881)
	<u>(2,221,172)</u>	<u>304,291</u>	<u>-</u>	<u>(1,916,881)</u>
	<u>(1,351,028)</u>	<u>220,090</u>	<u>-</u>	<u>(1,130,938)</u>

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Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

22 Members' liability

The company is limited by guarantee and has no share capital. In the event of a winding up the liability of the members is limited to £1 each.

23 Pension and similar obligations

The Charity's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-teaching staff, and Aegon. Both the TPS and the LGPS are multi-employer defined benefit schemes; Aegon is a defined contribution pension scheme.

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

Contributions amounting to £37,382 were payable to the schemes at 31 August 2021 (2020: £35,398) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,160 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the year amounted to £100,913 (2020 - £100,331).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £157,000 (2020 - £189,000), of which employer's contributions totalled £129,000 (2020 - £153,000) and employees' contributions totalled £28,000 (2020 - £36,000). The agreed contribution rates for future years are 15.4% for employers plus an additional top up for the past service deficit of £64,000 per annum and 5.5% to 12.5% for employees.

Principal actuarial assumptions

	At 31 August 2021 %	At 31 August 2020 %
Rate of increase in salaries	3.90	3.30
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60

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

	At 31 August 2021	At 31 August 2020
Retiring today		
Males retiring today	22.7	22.9
Females retiring today	24.0	24.1
Retiring in 20 years		
Males retiring in 20 years	24.0	24.3
Females retiring in 20 years	25.4	25.5

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Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

Sensitivity analysis on present value of scheme obligations

	At 31 August 2021 £	At 31 August 2020 £
Discount rate +0.1%	19,296,000	17,365,000
Discount rate -0.1%	20,236,000	18,212,000
Mortality assumption – 1 year increase	20,582,000	18,473,000
Mortality assumption – 1 year decrease	18,971,000	17,120,000
CPI rate +0.1%	20,182,000	18,166,000
CPI rate -0.1%	19,348,000	17,409,000

The actual return on scheme assets was £1,690,000 (2020 - £35,000).

Amounts recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	216,000	233,000
Interest cost	148,000	154,000
Admin expenses	6,000	6,000
Total amount recognised in the SOFA	370,000	393,000

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

	2021 £	2020 £
At start of period	17,783,000	16,907,000
Current service cost	216,000	233,000
Interest cost	276,000	305,000
Admin expenses	6,000	6,000
Employee contributions	28,000	36,000
Actuarial (gain)/loss	2,309,000	1,246,000
Change in demographic assumptions	(211,000)	(373,000)
Experience (gain)/loss on defined benefit obligations	(339,000)	(357,000)
Benefits paid	(308,000)	(220,000)
At 31 August	19,760,000	17,783,000

Exeter Royal Academy for Deaf Education

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and similar obligations (continued)

Changes in the fair value of Charity's share of scheme assets:

	2021 £	2020 £
At start of period	8,475,000	8,479,000
Interest income	128,000	151,000
Actuarial gain/(loss)	1,556,000	(124,000)
Employer contributions	129,000	153,000
Employee contributions	28,000	36,000
Benefits paid	(308,000)	(220,000)
At 31 August	10,008,000	8,475,000
Deficit	9,752,000	9,308,000

Aegon Pension Scheme

The Aegon Pension Scheme is a defined contribution scheme. The total contribution made for the year ended 31 August 2021 was £186,669 (2020 - £191,947), of which employer's contributions totalled £143,360 (2020 - £146,055) and employees' contributions totalled £43,309 (2020 - £45,892).

24 Related party transactions

The Charity has taken advantage of the exemption under FRS102 from the disclosure of transactions with its wholly owned subsidiary. There are no other related party transactions that require disclosure.

25 Capital commitments

The Group entered into a contract for the construction of the new school in Exmouth in February 2019. As at 31 August 2021 the group was committed to £39,053 (2020 - £89,928) under this contract.