



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

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Current year				
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

	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 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.