

Registrar's Copy

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

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SOUTH EAST ESSEX ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Mr O Aggarwal
Mr M S C Foster
Dr P B Hayman
Mrs S Worthington
Mr M Wilson

Directors

Mrs H J Boyd^{2,4}
Mr G T E Crispin (resigned 31 August 2017)^{1,2,4}
Mr M S C Foster, Chair of SEEAT Board^{1,2}
Mrs J Harding²
Dr P B Hayman, Executive Principal and Accounting Officer^{1,2}
Mr W Hill (resigned 31 August 2017)^{1,2}
Mr M I Lambert^{1,2,3,4}
Mrs A J Solomons²
Mr D Struthers (resigned 31 August 2017)^{1,2}
Mr M D Wilson^{1,3}
Mrs S Worthington, Vice Chair^{1,2,4}
Mrs J Clarke (known as Ruffle)¹

- ¹ Resources Committee
- ² Strategy & Standards Committee
- ³ Audit Committee
- ⁴ Pay Committee

Company registered number

07527304

Company name

South East Essex Academy Trust

Principal and registered office

Westcliff High School for Girls
Kenilworth Gardens
Westcliff-on-Sea
Essex
SS0 0BS

Senior management team

Dr P B Hayman, Executive Principal
Mr N P Brunning, Finance and Operations Director
Mr W Hill, Headteacher, Prince Avenue Academy and Nursery
Mr S Owen, Head of School, Rochford Primary School
Mrs L Wass, Head of School, Holt Farm Junior School

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Independent auditors

MWS
Chartered Accountants
Statutory Auditor
Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

Bankers

Barclays Bank
63-65 High Street
Rayleigh
Essex
SS6 7EL

Lloyds Bank
77 High Street
Southend-on-Sea
Essex
SS1 1HT

Solicitors

BTMK
19 Clifftown Road
Southend-on-Sea
Essex
SS1 1AB

Nockolds Solicitors
Market Square
Bishop's Square
Hertfordshire
CM23 3UZ

SOUTH EAST ESSEX ACADEMY TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Directors' report, and a Directors' report under company law.

Westcliff High School for Girls; this is an 11-18 school. It has a pupil capacity of 1,224 and had a roll of 1,229 in the school census on 5 October 2017; the Education & Skills Funding Agency has granted a request from the school to increase the capacity and building plans are in active progress to ensure that the additional facilities are put in place to allow this.

Prince Avenue Academy and Nursery; this is a 4-11 school. It has a pupil capacity of 472 and had a roll of 462 in the school census on 5 October 2017.

Holt Farm Junior School; this is an 8-11 school. It has a pupil capacity of 360 and had a roll of 292 in the school census on 5 October 2017.

Rochford Primary School and Nursery; this is a 4-11 school. It has a pupil capacity of 236 and had a roll of 227 in the school census on 5 October 2017.

The Trust academies serve a catchment area in South East Essex, full details can be found at www.essex.gov.uk/Education-Schools/Schools/Admissions and www.Southend.gov.uk/admissions.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Directors of South East Essex Academy Trust are also the directors of the charitable company for the purpose of company law.

The five Members of the company are nominated by either the Secretary of State for Education or by existing Members. One is ex-officio, the Chair of the Trust. The Articles of Association require the Members to be responsible for the statutory and constitutional affairs of the company and the management of the Academy Trust.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

The first Academy was formed on 11 February 2011 from Westcliff High School for Girls under the procedures for highly successful schools as allowed by the Academies Act 2010.

In May 2013 Westcliff High School for Girls became an accredited Academy Sponsor. With Westcliff High School for Girls, Prince Avenue Academy and Nursery along with Rochford Primary and Nursery School formed a Multi-Academy Trust (South East Essex Academy Trust, SEEAT) in April 2014. Holt Farm Junior School joined SEEAT in September 2014.

On 1 April 2014 the Governing Body of Westcliff High School for Girls became the Board of Governors for SEEAT and formed a separate Local Governing Body. The Governing Bodies of Prince Avenue Academy, Nursery and Children's Centre along with Rochford Primary and Nursery School were re-formed as Local Governing Bodies. Following on from its Interim Executive Board, Holt Farm Junior School formed a new Local Governing Body on 27/11/2014.

The Trust Board has now restructured to ensure it covers the skill areas for its role.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Details of the Directors who served during the year are included in the Reference and Administrative Details.

b. Members' liability

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

c. Method of recruitment and appointment or election of directors

The Directors are recruited from people who have skills and qualities that will provide the Trust Board with the expertise necessary for effective governance. They are appointed by the Members.

d. Policies and procedures adopted for the induction and training of directors

New Directors and Governors receive training and induction depending on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Directors and Governors will be given a tour of the Academies and the chance to meet with staff and students. All Directors and Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors or Governors. As there are few changes to the Directors and Governors, induction tends to be done informally and is tailored specifically to the individual.

e. Organisational structure

The Directors are responsible for the general policies of the Academy Trust and the day-to-day running of the separate schools is delegated to the school's Local Governing Body, the Principal and the remainder of the Senior Management Team. The day-to-day administration is conducted in accordance with policies and procedures approved by the Directors with only significant matters being referred to the Directors for prior approval.

The Executive Principal undertakes the key leadership role overseeing attainment, progress and leadership functions in consultation with the other members of the Headteachers' Steering Group. The Executive Principal is an ex-officio Director and the Accounting Officer and therefore attends all meetings.

Each Academy's Headteacher or Head of School undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the other members of the Senior Management Team. The members of the Senior Management Team are invited to attend Local Governing Body meetings as appropriate.

The Multi-Academy Trust has the following organisational structure:

| | |
|---------|--|
| Level 1 | Academy Trust Members |
| Level 2 | Full Board of Directors |
| Level 3 | Sub-committees of Board |
| Level 4 | Executive Principal and Accounting Officer |
| Level 5 | Local Governing Bodies |
| Level 6 | Senior Management Team |

f. Pay policy for key management personnel

The Pay Committee is a sub-committee of the Board and sets the remuneration of the SEEAT Management Team who are considered the key personnel of South East Essex Academy Trust. In setting pay, the

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

committee sets a pay range based on the size of the school and the nature of responsibilities taken both within each academy and across the MAT.

g. Connected organisations, including related party relationships

South Essex Teaching School Alliance Trust (SETSAT) is deemed a related party due to the majority of its Trustees being Directors of Westcliff High School for Girls, who also provide services and accommodation to SETSAT.

Southend Education Trust (SET) is a related party as Mr W Hill is a Director of SET and Prince Avenue Academy and Nursery purchases services from SET.

OBJECTIVES AND ACTIVITIES

a. Objects and aims

The charitable trust's objects are:

- (a)(i) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum;
- (a)(ii) providing childcare facilities and adult training to develop the capacity and skills of parents-to-be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children;
- (b) promoting in the areas where the Academies are established the physical, intellectual and social development of primarily but not exclusively children under five especially those who are socially and economically disadvantaged;
- (c) developing the capacity and skills of those inhabitants in the areas where the Academies are established who are socially and economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- (d) relieving poverty among the inhabitants in the areas where the Academies are established;
- (e) relieving unemployment in the areas where the Academies are established for the benefit of the public in such ways as may be thought fit, including assistance to find employment;
- (f) advancing the health of the inhabitants in the areas where the Academies are established;
- (g) providing recreational and leisure time facilities in the interests of social welfare for the inhabitants in the areas where the Academies are established especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

b. Objectives, strategies and activities

The principal activity of the Charitable Company is the operation of Academies to provide a broad and balanced education for pupils with an emphasis on academic progression.

The main objectives of the Multi-Academy Trust during the year ended 31 August 2017 are summarised below:

- To provide nursery and primary education for boys and girls aged 3 - 11, at Prince Avenue Academy and Nursery, at Rochford Primary and Nursery School and education for boys and girls aged 7-11 at Holt Farm Junior School, admitted in accordance with the academy's admissions policy
- To provide secondary education at Westcliff High School for Girls, for pupils selected by ability between the ages of 11-19
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To secure the highest level of educational attainment and progress of all pupils
- To improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To promote links between primary and secondary schools
- To develop a partnership between the schools in the Trust

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

- To comply with all appropriate statutory and curriculum requirements
- To maintain a successful partnership with parents and carers, and welcome their involvement and support
- To maintain close links with Higher Education institutions
- To maintain close links with industry and commerce; and
- To conduct each Academy's business in accordance with the highest standards of integrity, probity and openness

c. Public benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the Academy Trust's objectives and aims and in planning future activities for the year. The Directors consider that the Academy Trust's aims are demonstrably to the public benefit.

Strategic report

a. Going concern

After making appropriate enquiries, the board of directors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Review of activities

For clarity, the academic headlines for each school within the Multi- Academy Trust are listed separately below:

Westcliff High School for Girls

Westcliff High School for Girls was rated Outstanding in the most recent Ofsted inspection conducted in October 2010.

Total students in the year ended 31st August 2017 numbered 1176, 61 of which were male. Examination results for 2017 were very pleasing:

At GCSE 99.3% of Year 11 students achieved 5(+) Standard Pass grades including English and Mathematics and 95.3% achieved 5(+) Strong Pass grades including English and Mathematics.

At A2 Level, 79.2% of all grades were at A*, A or B. The average points score per candidate was 1034.14.

The level of pupil attendance was 97.28%, significantly higher than the national average.

Westcliff High School for Girls is a licenced centre for the Duke of Edinburgh Award scheme. During this year 147 students achieved the Bronze Award, 52 students achieved the Silver Award and 5 students achieved the Gold Award, the highest completion rate in the South East Region.

Prince Avenue Primary School, Nursery and Children's Centre

Prince Avenue Academy and Nursery was inspected between 15th and 16th March 2017. Ofsted judged the school as outstanding for personal development, behaviour and welfare, good in all other areas and good for overall effectiveness.

End of KS2 attainment continues on an upward trend with figures that compare very favourably with national standards. The percentage of pupils achieving the "Greater Depth" standard in all subjects were also improved and above national in all subjects. Progress measures for reading and maths are in the top 25% of schools nationally.

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FOR THE YEAR ENDED 31 AUGUST 2017

The number of pupils meeting the Year 1 Phonics Standard rose from 65% to 76% and the number of pupils achieving a Good Level of Development at the end of the Foundation Stage rose from 60% to 73%

Pupil attendance for 2016/17 improved from 95.1% to 95.9% with persistent absence dropping from 13.8% to 7.4%. The numbers of pupils attending the school has continued to rise over successive years to 441 (390 in the main school, 51 in the nursery). Pupil numbers and admissions look set to continue to rise in the 2017-18 academic year.

The School Development Plan is focused on accelerating progress for all pupil groups in KS1, developing assessment of Foundation Subjects, continuing to improve attendance and punctuality, improving pupils' presentation of work, maintaining progress in phonics and developing further Early Years provision.

2017 Key Stage 2 Attainment. Percentage of children working at the expected standard
Test Results and Combined Results

| | All Pupils (52) | Progress Measure | Boys(24) | Girls(28) | Pupil Premium (15) | SEN (11) | National All Pupils (2017) |
|--|--------------------|---------------------|----------|-----------|--------------------------|-------------|----------------------------------|
| Reading | 77% | +2.4% | 79% | 75% | 52% | 18% | 71% |
| Writing Teacher Assessment | 75% | +0.8% | 79% | 71% | 57% | 27% | 76% |
| Grammar Punctuation and Spelling | 79% | | 83% | 75% | 61% | 27% | 77% |
| Maths | 79% | +2.3% | 83% | 75% | 57% | 27% | 75% |
| Combined Reading Writing Maths | 69% | | 71% | 68% | 48% | 18% | 61% |

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

2017 Key Stage 1 Attainment. Percentage of children working at the expected standard

| | All Pupils (58) | Boys (31) | Girls (27) | Pupil Premium (18) | SEN (14) | National All Pupils (2017) |
|--------------------------------------|--------------------|--------------|---------------|--------------------------|-------------|----------------------------------|
| Reading | 57% | 52% | 63% | 39% | 0% | 74% |
| Writing Teacher Assessment | 57% | 52% | 63% | 39% | 7% | 65% |
| Maths | 62% | 71% | 52% | 33% | 21% | 74% |
| Combined Reading Writing Maths | 45% | 47% | 41% | 33% | 0% | 60% |

In 2016-17 a successful bid to the Department of Education enabled the replacement of all the flat roofing on the buildings. This was a substantial improvement project which took several months to complete in the autumn and spring terms. Site security has been improved with the installation of automatic vehicle barriers on the school car parks. The school grounds have a significant number of large mature trees which require constant attention. Contractors have been on site during the summer to pollard all trees that were potentially unsafe. Site staff have also completed the construction of a Trim Trail and a Wildlife Walk within the school grounds.

On 1 October 2016 the operation of the Children's Centre was transferred to Family Action following a review by Southend Borough Council of how they would deliver these services.

Rochford Primary & Nursery School

The school underwent a Section 8 Ofsted Inspection on February 28th, 2017 when it was confirmed that it continues to be a 'good' school. The report was extremely positive and highlighted many areas of strength across the whole school.

Teaching across the school from EYFS to KS2 remains strong with 100% of teaching judged good over time and 33% outstanding. These %'s take into account the triangulated approach favoured by Ofsted where teaching is viewed in conjunction with current data and the quality of marking and feedback in books.

Reception EYFS: The % of pupils achieving 'A Good Level of Development'

| School 2017 | National | Essex |
|-------------|----------|-------|
| 80% | 71% | 74% |

Year 1 Phonics Screening Check - % of pupils that passed the check

| School 2017 | National | Essex |
|-------------|----------|-------|
| 90% | 81% | 82% |

Attendance for the year:

| Attendance | Authorised | Unauthorised | Persistent under 90% | Number of Children | Persistent under 85% | Number of Children | Unauthorised Lateness |
|------------|------------|--------------|-------------------------|-----------------------|-------------------------|-----------------------|--------------------------|
| 95.5% | 3.1 | 1.4 | 12.04 | 26 | 2.31 | 5 | 1 |

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Attendance for 2017 was in line with national expectations and continues to be monitored rigorously.

Results for 2017:

All staff participated in the Professional Partnership Programme facilitated by SETSAT. This practice was welcomed and has been embedded throughout the school and reflected in the way teaching and learning is monitored.

EYFS continues to go from strength to strength. The former sand pit in the EYFS outside classroom has been filled in and transformed into a den making area. **IMPACT:** Outdoor area is appropriately resourced and well organised. Children have access to a broad range of play-based experiences to support their learning and development. The old shed has now been transformed into the Beach Hut and filled with sand and other exciting resources to foster investigation, resilience and independent learning opportunities. These positive changes, alongside participating in the Early Excellence Project, are reflected in most encouraging results (see table below).

Key Stage 1

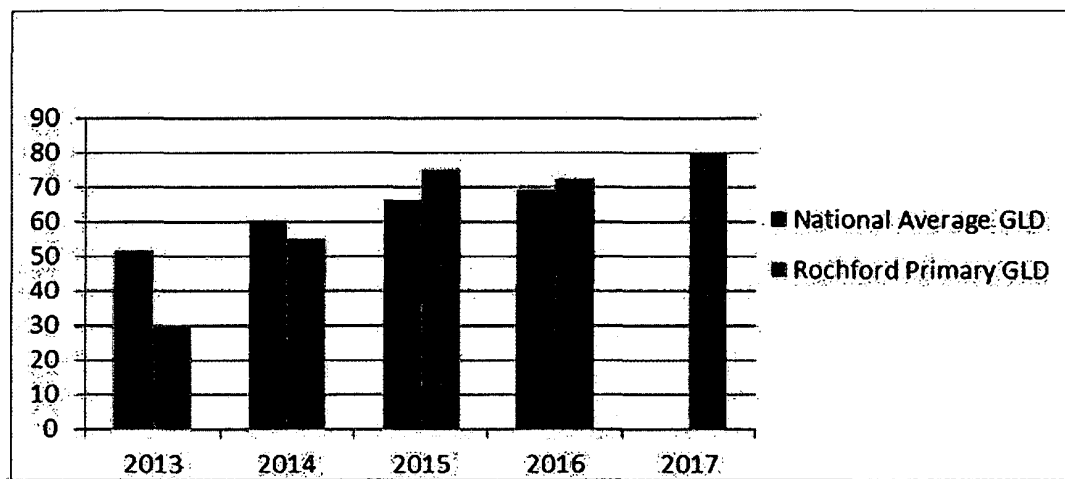
| | School 2017 | | National 2017 | | Essex | |
|---------|-------------|---------------|---------------|---------------|-----------|---------------|
| | Expected+ | Greater Depth | Expected+ | Greater Depth | Expected+ | Greater Depth |
| Reading | 87% | 33% | 76% | 25% | 78% | 29% |
| Writing | 80% | 27% | 68% | 16% | 70% | 18% |
| Maths | 87% | 33% | 75% | 21% | 76% | 23% |

Key Stage 2

| | School 2017 | | National 2017 | | Essex | |
|---------|-------------|---------------|---------------|---------------|-----------|---------------|
| | Expected+ | Greater Depth | Expected+ | Greater Depth | Expected+ | Greater Depth |
| Reading | 63% | 13% | 71% | 24% | 73% | 25% |
| Writing | 83% | 30% | 76% | 21% | 78% | 18% |
| Maths | 87% | 20% | 75% | 23% | 76% | 23% |
| GPS | 83% | 23% | 77% | 31% | 79% | 32% |

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The school building has been completely decorated over the past year. Future projects include replacing carpets in classes with vinyl and the carpets in the corridors with laminated flooring.

Main initiatives for 2017-18:

Continue to embed the new Abacus Maths Scheme (results this year were up across the school);
Continue to monitor attendance (particularly persistent lateness for our vulnerable groups of children);
Introduce and embed the Growth Mindset across the school.

Holt Farm Junior School

Following the Ofsted inspection on 1st & 2nd November 2016 the school has gone from strength to strength (confirmed by DfE visits). In July 2017 Teaching and Learning was verified by MAT senior leaders as 100% good or better (50% was judged as good in November 2016). Attendance 16-17 was 96.1% (95% national average). Expectations are high at Holt Farm Junior School and a strong ethos of team work has been developed. Leadership includes the Head of School (Lucy Wass) and Deputy Headteacher (Claire Richardson). Developing the leadership capacity across the school has been a key priority. There are now subject leaders, year group and phase leaders in place.

Key Stage 2

Combined Reading, Writing and Mathematics results were above national average. Mathematics is a strength.

| | Age Related Expectation 2016 (School) | Aged Related Expectation 2017 (School) | National 2017 |
|----------|---|--|---------------|
| Reading | 64% | 78% | 71% |
| Writing | 89% | 78% | 76% |
| Maths | 78% | 85% | 75% |
| GPS | 66% | 85% | 77% |
| Combined | 59% | 63% | 61% |

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Progress (All progress measures are above national and floor targets have been met)

| | School 2016 | School 2017 | National 2017 |
|---------|-------------|-------------|---------------|
| Reading | -0.1 | 1.8 | |
| Maths | 1.6 | 3.4 | |
| Writing | 3.7 | 2.3 | |

The school's positive reputation has continued to build, so has the numbers on roll. The school now has 11 classes (increase from 9 in 2015). The current demountable is being used as the new classroom. This has been painted and decorated ready for September.

Strong links within the community continues to be part of the ethos at Holt Farm Junior School. The school focuses on supporting local charities and works with local club leaders to support our development within Physical Education. The school's PTA continues to fund resources to improve outdoor provision. The profile of PE and Sport has been extended; HFJS were crowned District Sports 2017 champions (first time in over 30 years).

c. Investment policy and performance

The Academy Trust aims to manage its cash balances to provide for its day-to-day operations

d. Factors relevant to achieving objectives

Continuous improvement

To ensure that standards are further improved the Academy Trust operates a programme of continuous improvement, supporting the development of teaching and learning through training focused on Teachers' Standards, pupil attainment and the requirements of the Ofsted Framework. This programme includes regular lesson observations, support from external consultants and effective Performance Management. Students are tracked for their progress and achievement; where necessary interventions are undertaken. Pupil progress is assessed against national achievement data at all stages to measure the added value achieved.

Position in the wider community

The Trust's schools draw their intake from Southend and Rochford. This is extended at Westcliff High School for Girls to Essex and the London boroughs.

The schools in the Academy Trust work together to develop teaching and pupil achievement in Mathematics and English and are coordinating ways to monitor pupil progress.

Each school raises considerable sums for local and national charitable causes.

Each of the schools play a role in SETSA (South Essex Teaching School Alliance), for which Westcliff High School for Girls is the lead school, which co-ordinates a range of support work for schools across the region. This includes Teacher Training, School to School Support and Continuing Professional Development. There are currently over 50 schools in and around Southend who are partners in this organisation.

FINANCIAL REVIEW

a. Reserves policy

The Directors will maintain the reserves at a level they deem to be prudent to match the trust's development and future needs.

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Funds in deficit

On the formation of the Academy, not only were the land and buildings and other assets transferred to the Trust but also the liability arising from the Local Government Pension Scheme. The deficit arose from previous under-funding of the pension scheme and the poor investment performance of the scheme's underlying assets. The deficit is being reduced by the payment of additional employers' contributions as determined by independent actuaries.

Financial Position

The Academy Trust held fund balances at 31 August 2017 of £32,087,576 (2016 - £29,823,379) comprising £321,751 (2016 - £424,681) of restricted funds, £34,980,738 (2016 - £33,301,699) of restricted fixed asset funds, £1,145,087 (2016 - £975,999) of unrestricted general funds and a pension reserve deficit of £4,360,000 (2016 - £4,879,000).

b. Principal risks and uncertainties

The principal risks and uncertainties that are faced by the Academy Trust are fundamental changes in Government Education Policies and significant reductions in funding from the Department for Education. The Board of Directors has very little influence in determining Government Policy. The Trust has taken steps to increase its funding from the ESFA by applying for Capital Grants whenever appropriate and by increasing intake numbers. The Trust actively seeks alternative external sources of funding.

As such a large percentage of expenditure relates to staff costs there are major risks and uncertainties regarding nationally agreed increases in pay, pension or national insurance rates over which the Academy Trust has no control. The Trust mitigates this risk by strong financial planning and an experienced and well qualified finance team.

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c. Principal funding and review

Principal funding sources

The Academy Trust's principal funding source is the Education & Skills Funding Agency (ESFA), an agency of the Department for Education.

The majority of this funding is in the form of recurrent grants, the use of which is restricted for particular purposes. As such, grants received from the ESFA and any associated expenditure are included within restricted funds in the Statement of Financial Activities.

The Academy Trust also received grants from the ESFA to be used for capital purposes. These amounts are included within restricted fixed asset funds and any associated expenditure is capitalised in the balance sheet and is presented as fixed assets. The restricted fixed asset fund is reduced by an appropriate depreciation charge calculated in accordance with the Academy Trust's accounting policies.

Financial review

Most of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2017, total expenditure (excluding restricted fixed asset funds) of £11,216,766 (2016 - £10,442,291) was incurred. The excess expenditure over income for the period (excluding restricted fixed asset funds and before funds transfers) was £161,146 (2016 - surplus £42,960).

At 31 August 2017 the net book value of fixed assets was £33,960,064 (2016 - £32,737,202) and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

There is a pension deficit relating to staff employed who are members of the Local Government Pension Scheme. Details are given in the notes to the financial statements.

d. Key financial performance indicators

The primary key financial performance indicators of the trust are reserves levels provided above and pupil numbers given earlier in this report.

Additional key financial performance indicators include funds, excluding fixed assets and pensions funds as a % of total income of 11.3% (2016: 11.9%), cash ratio of 3.1 (2016: 2.4) and current ratio of 3.5 (2016: 2.8). The Trust aims to maintain and improve these measures over time.

Plans for future periods

a. Future developments

The Trust will continue striving to secure the highest levels of performance of its students at all levels and will continue its efforts to ensure its students get a place in secondary school where they can succeed as well as in higher education or employment once they leave.

The Governors have an expressed desire to extend and improve each Academy's premises and facilities within the constraints of financial prudence.

Prince Avenue will continue striving to secure the highest levels of performance of its students at all levels and will continue its efforts to ensure its students get a place in secondary school where they can succeed and higher education or employment once they leave. The School Development Plan identifies key actions and initiatives to accelerate progress and raise attainment further. The introduction of a new Teaching and Learning

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Policy has had a significant impact on the learning culture in the classrooms. The school will be resubmitting a bid to the Condition Improvement Fund for the replacement of an old asbestos based roof. New flat roofing with improved insulation has been installed, funded by the Condition Improvement Fund.

Holt Farm Junior School has seen a very positive increase in results and the latest Ofsted rating. As the school's positive reputation continues to build, so do numbers on roll. Mrs Wass, the Head of School, is determined to ensure further improvements continue to be made and that progress continues on a steady upward trend. Leadership is keen to explore options to extend its facilities and to accommodate the growing pupil roll in the most suitable way possible.

At Westcliff High School for Girls there is an ongoing project funded by the Condition Improvement Fund to build the new Design, Art, Technology and Engineering block which is due to be completed ready for occupation in September 2018. This will allow enough space throughout the school for the six forms at intake. The school is also looking at a programme to continually improve and update all the facilities throughout the school to achieve the best learning environment possible for the pupils.

Rochford Primary and Nursery School continues its pursuit of excellence, building upon the successful Ofsted inspection earlier this year. The School Development Plan identified key initiatives to continue to accelerate progress and further raise attainment. The school premises continue to be up-scaled in order to ensure the best possible learning environment for the staff and children.

On 1 September 2017 the activities of the company and charity South Essex Teaching School Alliance Trust, a teaching school alliance of local schools of which Westcliff High School for Girls is the designated Teaching School, was transferred to the charitable company. At this date funds of £168,652 were transferred into the charitable company, a breakdown of which can be found in note 33 to the financial statements.

Agency arrangements and funds held as custodian

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received and disbursed amounts from the fund as detailed in note 30 to the financial statements.

The trust also receives and distributes money for SOPHA. In the accounting period ending 31 August 2017 the trust received and disbursed amounts from the funds belonging to SOPHA as detailed in note 31 to the financial statements.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Directors.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & Safety policy

In accordance with the Academy Trust's Equal opportunities policy, the Academy Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

DISCLOSURE OF INFORMATION TO AUDITORS

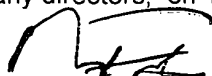
Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, MWS, have indicated their willingness to continue in office. The Designated Directors will propose a motion re-appointing the auditors at a meeting of the Directors.

The Directors' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 14 December 2017 and signed on its behalf by:



Mr M S C Foster
Chair of Directors

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of directors has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between South East Essex Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The board of directors has formally met 4 times during the year. Attendance during the year at meetings of the board of directors was as follows:

| Director | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Mrs H J Boyd | 2 | 4 |
| Mr G T E Crispin | 3 | 4 |
| Mr M S C Foster, Chair of SEEAT Board | 4 | 4 |
| Mrs J Harding | 3 | 4 |
| Dr P B Hayman, Executive Principal and Accounting Officer | 4 | 4 |
| Mr W Hill | 4 | 4 |
| Mr M I Lambert | 3 | 4 |
| Mrs A J Solomons | 4 | 4 |
| Mr D Struthers | 4 | 4 |
| Mr M D Wilson | 4 | 4 |
| Mrs S Worthington, Vice Chair | 4 | 4 |
| Mrs J Clarke (known as Ruffle) | 3 | 4 |

The Academy Trust Members have formally met 3 times during the year. Attendance during the year at the meetings of Trust Members was as follows:

| Member | Meetings attended | Out of a possible |
|------------------------|-------------------|-------------------|
| Dr O Aggarwal | 3 | 3 |
| Mr M S C Foster, Chair | 3 | 3 |
| Mr M D Wilson | 3 | 3 |
| Mrs S Worthington | 3 | 3 |
| Dr P B Hayman | 3 | 3 |

The Resources Committee is a sub-committee of the main board of directors. Its purpose is to monitor and set budgeted performance, as well as to review the efficient operation of the following areas:

- Finance
- HR
- ICT Services
- Marketing and PR
- Premises, site and asset management
- Purchasing and
- Management Information Systems

It also ensures that appropriate policies are in place across a number of areas.

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

| Director | Meetings attended | Out of a possible |
|----------------------------|-------------------|-------------------|
| Mr G T E Crispin | 4 | 4 |
| Mr M S C Foster | 4 | 4 |
| Dr P B Hayman | 4 | 4 |
| Mr W Hill | 4 | 4 |
| Mr M I Lambert | 2 | 4 |
| Mrs J Ruffle | 3 | 4 |
| Mr D Struthers | 2 | 4 |
| Mr M D Wilson | 3 | 4 |
| Mrs S Worthington | 4 | 4 |
| Mr S Owen (by invitation) | 2 | 4 |
| Mrs L Wass (by invitation) | 1 | 4 |

The Strategy & Standards Committee is also a sub-committee of the main board of directors. Its purpose is

- To implement arrangements to fulfil the Board of Directors' responsibility to monitor standards at all Academies within South East Essex Academy Trust with a view to raising standards of achievement.
- Identify priorities and recommend targets for achieving the aims and objectives, bearing in mind financial considerations and value for money.
- Track and monitor progress on meeting the main objectives and targets within the strategic vision and five year plan.
- Ensure that the strategic vision, aims and objectives are aligned with the national developments of educational provision and government policies.

Attendance at meetings in the year was as follows:

| Director | Meetings attended | Out of a possible |
|----------------------------|-------------------|-------------------|
| Mrs H J Boyd | 4 | 4 |
| Mr G T E Crispin | 3 | 4 |
| Mr M S C Foster | 4 | 4 |
| Mrs J Harding | 4 | 4 |
| Dr P B Hayman | 4 | 4 |
| Mr W Hill | 4 | 4 |
| Mr M I Lambert | 4 | 4 |
| Mrs A J Solomons | 3 | 4 |
| Mr D Struthers | 2 | 4 |
| Mrs S Worthington | 4 | 4 |
| Mr P Taylor | 2 | 4 |
| Mr S Owen (by invitation) | 3 | 4 |
| Mrs L Wass (by invitation) | 3 | 4 |

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Audit Committee is also a sub-committee of the main board of directors.

Its purpose is to assist the Directors in meeting their responsibilities as laid down in Company Law, the Academy Trust's Articles of Association and Funding Agreement and their responsibilities for the Academy Trust's financial management, reporting and governance as detailed in the Academies Financial Handbook and the Academies Accounts Direction as issued by the Department for Education.

Attendance at meetings was as follows:

| Director | Meetings attended | Out of a possible |
|-----------------------------------|-------------------|-------------------|
| Mr M I Lambert | 2 | 2 |
| Mr M D Wilson | 2 | 2 |
| Mrs K Baker (independent member) | 1 | 2 |
| Dr P B Hayman (in attendance) | 2 | 2 |
| Mrs S Worthington (in attendance) | 1 | 2 |

The Pay Committee is also a sub-committee of the main board of trustees.

Its purposes and remit are set down on page 4.

Attendance at meetings was as follows:

| Director | Meetings attended | Out of a possible |
|-------------------------------|-------------------|-------------------|
| Mrs H I Boyd | 1 | 1 |
| Mr G T E Crispin | 1 | 1 |
| Mr M I Lambert | 1 | 1 |
| Mrs S Worthington | 1 | 1 |
| Dr P B Hayman (in attendance) | 1 | 1 |

GOVERNANCE REVIEW

The Trust's Directors review the "Directors' Skills Audit and Trust Internal Evaluation" to ensure that between the Directors, the key areas continue to be fully covered.

Following a review of the "Governing Body Training/Skills Audit and Evaluation of Effectiveness of Local Governing Body (LGB)", common training needs were identified and relevant training put in place.

Taking into account the DfE's (Lord Nash's) guidelines, the Trust's Governance was reviewed during 2016/17 and an amended structure will be in place with effect 1st September 2017.

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- During the year a new finance team structure was put in place throughout the SEEAT schools without the need for a formal restructuring. This new structure will produce better quality financial information in a more timely manner and be better placed to advise the Heads of the schools regarding the financial choices they are facing. The new structure also produces an annual saving of £25,000 compared to the former structure.
- The Academy Trust has put in place a detailed 5 year financial forecast which allows headteachers and heads of school to make accurate medium term plans thereby avoiding the need for costly chopping and changing.
- During the course of the year structures and procedures have been streamlined across the Trust, allowing efficiencies to be realised whilst at the same time providing better quality of operations and information.
- The Academy Trust stepped up its programme of sharing resource across the member schools so that absences and vacancies could be covered without the need to employ expensive short term cover. This programme will be expanded over the coming years to ensure further value for money saving.
- During the year SEEAT employed an inclusion manager to work across the three primaries. It is believed that this role will represent good value for money by helping to increase attendance which should have a positive effect on educational outcomes.

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South East Essex Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors;
- regular reviews by the Audit Committee and the SEEAT Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of directors has considered the need for a specific internal audit function and has decided to appoint the Audit Committee as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:
Review of the controls and processes in place within the Trust.

On a quarterly basis, the internal auditor reports to the board of directors through the audit committee on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

There were no material control issues raised during the year. Other issues have been addressed.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

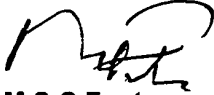
The Accounting Officer has been advised of the implications of the result of their review of the system of internal

SOUTH EAST ESSEX ACADEMY TRUST
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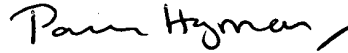
GOVERNANCE STATEMENT (continued)

control by the Audit Committee and by the SEEAT Board, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 14 December 2017 and signed on their behalf, by:



Mr M S C Foster
Chair of Directors



Dr P B Hayman
Accounting Officer

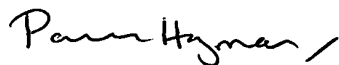
SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of South East Essex Academy Trust I have considered my responsibility to notify the academy trust board of directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of directors and ESFA.



Dr P B Hayman
Accounting Officer

Date: 14 December 2017

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Directors (who act as governors of South East Essex Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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.

The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Directors 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.

Approved by order of the members of the board of directors on 14 December 2017 and signed on its behalf by:



Mr M S C Foster
Chair of Directors

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH EAST ESSEX ACADEMY TRUST

OPINION

We have audited the financial statements of South East Essex Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust'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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Directors 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 information and, except to the extent otherwise explicitly stated in

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH EAST ESSEX ACADEMY TRUST

our report, we do not express any form of assurance conclusion thereon.

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 Directors' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report including the Strategic report.

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

- adequate accounting records have not been kept, 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 Directors' remunerations specified by law 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 Directors' responsibilities, the Directors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the Academy Trust'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 Directors either intend to liquidate the Academy Trust's or to cease operations, or have no realistic alternative but to do so.

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH
EAST ESSEX ACADEMY TRUST**

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.

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. The description forms part of our Auditor's report.



Clive Smith FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants
Statutory Auditor

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE
14 December 2017

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SOUTH
EAST ESSEX ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 July 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South East Essex Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to South East Essex Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South East Essex Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than South East Essex Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SOUTH EAST ESSEX ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of South East Essex Academy Trust's funding agreement with the Secretary of State for Education dated 2014, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SOUTH
EAST ESSEX ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MWS

Chartered Accountants
Reporting Accountant

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

14 December 2017

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 3 | 531,402 | 1,500 | 1,903,609 | 2,436,511 | 1,377,031 |
| Charitable activities | 4 | - | 9,502,158 | 6,502 | 9,508,660 | 9,343,695 |
| Other trading activities | 5 | 1,017,663 | - | - | 1,017,663 | 1,009,067 |
| Investments | 6 | 2,897 | - | - | 2,897 | 2,828 |
| TOTAL INCOME | | 1,551,962 | 9,503,658 | 1,910,111 | 12,965,731 | 11,732,621 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | | 979,653 | 150,473 | - | 1,130,126 | 831,383 |
| Charitable activities: | | | | | | |
| Educational operations | | 118,543 | 9,903,312 | 501,768 | 10,523,623 | 9,962,903 |
| Children's Centre & EYFS | | - | 64,785 | - | 64,785 | 156,116 |
| TOTAL EXPENDITURE | 9 | 1,098,196 | 10,118,570 | 501,768 | 11,718,534 | 10,950,402 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | | | | | |
| Transfers between Funds | 21 | 453,766 (284,678) | (614,912) 13,982 | 1,408,343 270,696 | 1,247,197 - | 782,219 - |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | 169,088 | (600,930) | 1,679,039 | 1,247,197 | 782,219 |
| Actuarial gains/(losses) on defined benefit pension schemes | 26 | - | 1,017,000 | - | 1,017,000 | (1,838,000) |
| NET MOVEMENT IN FUNDS | | 169,088 | 416,070 | 1,679,039 | 2,264,197 | (1,055,781) |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 975,999 | (4,454,319) | 33,301,699 | 29,823,379 | 30,879,160 |
| TOTAL FUNDS CARRIED FORWARD | | 1,145,087 | (4,038,249) | 34,980,738 | 32,087,576 | 29,823,379 |

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07527304

BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|-------------------|--------------------------|-------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 16 | | 33,960,064 | | 32,737,202 |
| CURRENT ASSETS | | | | | |
| Stocks | 17 | 42,095 | | 64,063 | |
| Debtors | 18 | 368,021 | | 373,047 | |
| Cash at bank and in hand | | 3,127,808 | | 2,655,026 | |
| | | <u>3,537,924</u> | | <u>3,092,136</u> | |
| CREDITORS: amounts falling due within one year | 19 | (1,025,612) | | (1,099,059) | |
| NET CURRENT ASSETS | | | <u>2,512,312</u> | | <u>1,993,077</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>36,472,376</u> | | <u>34,730,279</u> |
| CREDITORS: amounts falling due after more than one year | 20 | | (24,800) | | (27,900) |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES | | | <u>36,447,576</u> | | <u>34,702,379</u> |
| Defined benefit pension scheme liability | 26 | (4,360,000) | | (4,879,000) | |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u><u>32,087,576</u></u> | | <u><u>29,823,379</u></u> |
| FUNDS OF THE ACADEMY TRUST | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 21 | 321,751 | | 424,681 | |
| Restricted fixed asset funds | 21 | 34,980,738 | | 33,301,699 | |
| Restricted income funds excluding pension liability | | <u>35,302,489</u> | | <u>33,726,380</u> | |
| Pension reserve | | (4,360,000) | | (4,879,000) | |
| Total restricted income funds | | | <u>30,942,489</u> | | <u>28,847,380</u> |
| Unrestricted income funds | 21 | | <u>1,145,087</u> | | <u>975,999</u> |
| TOTAL FUNDS | | | <u><u>32,087,576</u></u> | | <u><u>29,823,379</u></u> |

The financial statements on pages 29 to 57 were approved by the Directors, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

Mr M S C Foster
Chair of Directors




Dr P B Hayman
Accounting Officer

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

| | Note | 2017 £ | 2016 £ |
|--|------|--------------------|-----------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 23 | 290,909 | 728,322 |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 2,897 | 2,828 |
| Purchase of tangible fixed assets | | (1,724,633) | (669,473) |
| Capital grants from DfE/ESFA | | 1,903,609 | 1,247,370 |
| Net cash provided by investing activities | | 181,873 | 580,725 |
| Change in cash and cash equivalents in the year | | 472,782 | 1,309,047 |
| Cash and cash equivalents brought forward | | 2,655,026 | 1,345,979 |
| Cash and cash equivalents carried forward | | 3,127,808 | 2,655,026 |

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

South East Essex Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-----------------------|---|-----------------------------|
| Freehold property | - | Straight line over 50 years |
| Temporary classroom | - | Straight line over 20 years |
| Motor vehicles | - | 25% on reducing balance |
| Fixtures and fittings | - | Straight line over 5 years |
| Computer equipment | - | Straight line over 3 years |

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 incorporating income and expenditure account.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

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

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

Liabilities and provisions 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 Academy Trust 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 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.

1.11 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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 as detailed in note 18. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20. 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 instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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 note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. 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 Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

1.15 Fund accounting

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

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

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

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

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy Trust 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 26, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

1.17 Concessionary loans

As allowed per the Statement of Recommended Practice 2015 (FRS 102), it is the policy of the Academy Trust to measure the loans at the amount received, with the carrying amount adjusted for any repayments and accrued interest (and adjusted if necessary to the settlement account if the loan or part of the loan is waived).

1.18 Redundancy and termination payments

Redundancy and termination payments that may have been incurred during the year are included within staff costs, and disclosed separately within the staff costs note.

2. GENERAL INFORMATION

South East Essex Academy Trust is a company limited by guarantee and incorporated in England & Wales.

Its registered office is Westcliff High School for Girls, Kenilworth Gardens, Westcliff-on-Sea, Essex, SS0 0BS.

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | 531,402 | - | 17,302 | 548,704 | 331,035 |
| Grants | - | 1,500 | - | 1,500 | - |
| Government grants | - | - | 1,886,307 | 1,886,307 | 1,045,996 |
| | <u>531,402</u> | <u>1,500</u> | <u>1,903,609</u> | <u>2,436,511</u> | <u>1,377,031</u> |
| <i>Total 2016</i> | <u>129,661</u> | <u>-</u> | <u>1,247,370</u> | <u>1,377,031</u> | |

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Educational Operations | - | 9,408,939 | 9,408,939 | 9,117,225 |
| Children's Centre & EYFS | - | 99,721 | 99,721 | 226,470 |
| | <u>-</u> | <u>9,508,660</u> | <u>9,508,660</u> | <u>9,343,695</u> |
| <i>Total 2016</i> | <u>-</u> | <u>9,343,695</u> | <u>9,343,695</u> | |

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 8,615,645 | 8,615,645 | 8,333,125 |
| Other DfE/ESFA Grants | - | 558,280 | 558,280 | 553,267 |
| | - | 9,173,925 | 9,173,925 | 8,886,392 |
| Other government grants | | | | |
| Local Authority Grants | - | 235,014 | 235,014 | 230,833 |
| | - | 235,014 | 235,014 | 230,833 |
| | - | 9,408,939 | 9,408,939 | 9,117,225 |
| <i>Total 2016</i> | - | 9,117,225 | 9,117,225 | |

5. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| School uniform | 80,807 | - | 80,807 | 74,942 |
| Hire of facilities | 38,902 | - | 38,902 | 43,997 |
| Catering income | 584,495 | - | 584,495 | 425,721 |
| Other income | 313,459 | - | 313,459 | 464,407 |
| | 1,017,663 | - | 1,017,663 | 1,009,067 |
| <i>Total 2016</i> | 1,009,067 | - | 1,009,067 | |

6. INVESTMENT INCOME

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Investment income | 2,897 | - | 2,897 | 2,828 |
| <i>Total 2016</i> | 2,828 | - | 2,828 | |

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. DIRECT COSTS

| | Educational Operations | Children's Centre & EYFS | Total 2017 | Total 2016 |
|-----------------------------|-----------------------------------|---|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Technology costs | 107,185 | - | 107,185 | 123,914 |
| Educational supplies | 315,523 | 2,865 | 318,388 | 290,899 |
| Examination fees | 133,728 | - | 133,728 | 152,378 |
| Staff development | 157,197 | - | 157,197 | 111,296 |
| Other direct costs | 30,240 | - | 30,240 | 54,288 |
| Legal and professional fees | 15,177 | - | 15,177 | 13,449 |
| Wages and salaries | 5,366,395 | - | 5,366,395 | 5,229,586 |
| National insurance | 477,770 | - | 477,770 | 408,238 |
| Pension cost | 712,758 | - | 712,758 | 686,060 |
| Depreciation | 501,768 | - | 501,768 | 508,110 |
| | 7,817,741 | 2,865 | 7,820,606 | 7,578,218 |
| <i>At 31 August 2016</i> | <i>7,571,742</i> | <i>6,476</i> | <i>7,578,218</i> | |

8. SUPPORT COSTS

| | Educational Operations | Children's Centre & EYFS | Total 2017 | Total 2016 |
|---------------------------------------|-----------------------------------|---|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Pension income | 100,000 | - | 100,000 | 104,000 |
| Recruitment and support | 24,771 | - | 24,771 | 53,752 |
| Maintenance of premises and equipment | 169,520 | - | 169,520 | 84,494 |
| Cleaning | 171,285 | - | 171,285 | 97,027 |
| Rent and rates | 75,078 | - | 75,078 | 72,877 |
| Energy costs | 149,293 | - | 149,293 | 232,264 |
| Insurance | 72,195 | - | 72,195 | 79,520 |
| Security and transport | 18,826 | - | 18,826 | 27,518 |
| Catering | 47 | 186 | 233 | 1,610 |
| Indirect staff costs | 10,970 | - | 10,970 | 6,748 |
| Legal and professional fees | 92,846 | - | 92,846 | 89,046 |
| Other support costs | 18,459 | 20 | 18,479 | 34,363 |
| PPS & telephone | 107,688 | - | 107,688 | 98,440 |
| Audit fee | 22,000 | - | 22,000 | 22,000 |
| Wages and salaries | 959,711 | 58,666 | 1,018,377 | 1,100,832 |
| National insurance | 56,454 | 3,048 | 59,502 | 58,640 |
| Pension cost | 656,739 | - | 656,739 | 377,670 |
| | 2,705,882 | 61,920 | 2,767,802 | 2,540,801 |
| <i>At 31 August 2016</i> | <i>2,391,163</i> | <i>149,638</i> | <i>2,540,801</i> | |

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. SUPPORT COSTS (continued)

During the year ended 31 August 2017, the Academy Trust incurred the following Governance costs:
£23,789 (2016 - £28,361) included within the table above in respect of Educational Operations.
£NIL (2016 - £NIL) included within the table above in respect of Other Operations.

9. EXPENDITURE

| | Staff costs 2017 £ | Premises 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|---|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Expenditure on raising voluntary income | 278,542 | - | 851,584 | 1,130,126 | 831,383 |
| Educational Operations: | | | | | |
| Direct costs | 6,556,923 | 501,768 | 759,050 | 7,817,741 | 7,571,741 |
| Support costs | 1,672,904 | 637,371 | 395,607 | 2,705,882 | 2,362,802 |
| Children's Centre & EYFS: | | | | | |
| Direct costs | - | - | 2,865 | 2,865 | 6,476 |
| Support costs | 61,714 | - | 206 | 61,920 | 149,638 |
| | <u>8,570,083</u> | <u>1,139,139</u> | <u>2,009,312</u> | <u>11,718,534</u> | <u>10,922,040</u> |
| Total 2016 | <u>8,087,761</u> | <u>994,772</u> | <u>1,839,507</u> | <u>10,922,040</u> | |

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2017 £ | 2016 £ |
|--|---------------|---------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 501,768 | 508,110 |
| Auditors' remuneration - audit | 22,000 | 22,000 |
| Operating lease rentals | <u>30,104</u> | <u>30,617</u> |

SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

11. STAFF COSTS

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|--|-------------------------|-------------------------|
| Wages and salaries | 6,444,817 | 6,351,298 |
| Social security costs | 547,254 | 473,703 |
| Operating costs of defined benefit pension schemes | 1,399,806 | 1,081,411 |
| | <u>8,391,877</u> | <u>7,906,412</u> |
| Supply teacher costs | 162,966 | 181,349 |
| Staff restructuring costs | 15,240 | - |
| | <u><u>8,570,083</u></u> | <u><u>8,087,761</u></u> |

Staff restructuring costs comprise:

| | 2017 £ | 2016 £ |
|--------------------|---------------|-----------|
| Severance payments | <u>15,240</u> | <u>-</u> |

There were two non-statutory non-contractual compensation payments in the year, one for £2,490 and one for £12,750.

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

| | 2017 No. | 2016 No. |
|------------|-------------|-------------|
| Management | 20 | 22 |
| Teachers | 112 | 110 |
| Support | 212 | 219 |
| | <u>344</u> | <u>351</u> |

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

| | 2017 No. | 2016 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 3 | 4 |
| In the band £70,001 - £80,000 | 2 | 1 |
| In the band £100,000 - £110,000 | 0 | 1 |
| In the band £120,000 - £130,000 | 1 | 0 |

The total pension contributions for the employees whose remuneration fell into the above categories were £71,528 (2016: £67,780).

In both 2016 and 2017 Dr P B Hayman received an additional payment of £10,000 for his role as Executive Principal of the MAT, on top of his normal remuneration as Headteacher of WHSG. The amount for 2016 was only paid during 2017 and both years amounts are included in the 2017 figures shown above.

The total remuneration for key management personnel, comprising 21 (2016: 21) people across the Trust, during the year was £1,252,911 (2016: £1,182,900), of which £1,082,654 (2016: £1,022,558)

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11. STAFF COSTS (continued)

related to gross pay and £170,257 (2016: £160,342) related to employers' pension contributions.

12. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- Corporate governance and reporting
- Educational support services
- Legal services
- Others as arising

The Academy Trust charges for these services on the following basis:

The Academy Trust funding model allocates all funding directly to schools. Some services are charged to schools on a per pupil basis. Other costs are funded by a charge deducted from each schools' GAG income. The actual amounts charged during the year were as follows:

The actual amounts charged during the year were as follows:

| | 2017 | 2016 |
|---|----------------|----------------|
| | £ | £ |
| Westcliff High School for Girls | 118,186 | 117,724 |
| Prince Avenue Primary School, Nursery and Children's Centre | 52,696 | 43,465 |
| Rochford Primary School and Nursery | 27,999 | 26,184 |
| Holt Farm Junior School | 35,946 | 28,279 |
| | <u>234,827</u> | <u>215,652</u> |
| Total | | |

13. DIRECTORS' REMUNERATION AND EXPENSES

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One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

| | | 2017 £ | 2016 £ |
|--|----------------------------|-----------------|-----------------|
| Dr P B Hayman (Executive Principal and Director) | Remuneration | 120,000-125,000 | 100,000-105,000 |
| | Pension contributions paid | 15,000-20,000 | 15,000-20,000 |
| Mr W Hill (Staff Director) | Remuneration | 65,000-70,000 | 60,000-65,000 |
| | Pension contributions paid | 10,000-15,000 | 10,000-15,000 |
| Mr D Struthers (Staff Director) | Remuneration | 65,000-70,000 | 60,000-65,000 |
| | Pension contributions paid | 10,000-15,000 | 10,000-15,000 |
| Mr M Rodgers | Remuneration | - | 60,000-65,000 |
| | Pension contributions paid | - | 10,000-15,000 |

During the year, no Directors received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Directors received any reimbursement of expenses (2016 - £NIL to 0 Directors).

14. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2017 is included within the Academy Trust's general insurance premium and is not separately identifiable.

15. OTHER FINANCE INCOME

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Interest on pension scheme liabilities | <u>(100,000)</u> | <u>(104,000)</u> |

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16. TANGIBLE FIXED ASSETS

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ |
|-----------------------|---------------------------|-----------------------------|------------------------|-------------------------------|----------------------------|
| Cost | | | | | |
| At 1 September 2016 | 34,134,763 | 46,156 | 27,246 | 283,607 | 354,808 |
| Additions | 1,584,168 | 15,218 | - | - | 125,244 |
| At 31 August 2017 | 35,718,931 | 61,374 | 27,246 | 283,607 | 480,052 |
| Depreciation | | | | | |
| At 1 September 2016 | 1,595,020 | 11,964 | 13,525 | 209,766 | 279,103 |
| Charge for the year | 419,088 | 2,308 | 3,430 | 24,567 | 52,375 |
| At 31 August 2017 | 2,014,108 | 14,272 | 16,955 | 234,333 | 331,478 |
| Net book value | | | | | |
| At 31 August 2017 | 33,704,823 | 47,102 | 10,291 | 49,274 | 148,574 |
| At 31 August 2016 | 32,539,743 | 34,192 | 13,721 | 73,841 | 75,705 |
| | | | | | Total £ |
| Cost | | | | | |
| At 1 September 2016 | | | | | 34,846,580 |
| Additions | | | | | 1,724,630 |
| At 31 August 2017 | | | | | 36,571,210 |
| Depreciation | | | | | |
| At 1 September 2016 | | | | | 2,109,378 |
| Charge for the year | | | | | 501,768 |
| At 31 August 2017 | | | | | 2,611,146 |
| Net book value | | | | | |
| At 31 August 2017 | | | | | 33,960,064 |
| At 31 August 2016 | | | | | 32,737,202 |

17. STOCKS

| | 2017 £ | 2016 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 42,095 | 64,063 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. DEBTORS

| | 2017 £ | 2016 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 22,758 | 33,859 |
| Other debtors | 143,848 | 130,614 |
| Prepayments and accrued income | 201,415 | 208,574 |
| | <u>368,021</u> | <u>373,047</u> |

19. CREDITORS: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|------------------|
| Other loans | 6,200 | 3,100 |
| Trade creditors | 197,408 | 254,644 |
| Other taxation and social security | 136,493 | 133,430 |
| Other creditors | 159,566 | 129,195 |
| Accruals and deferred income | 525,945 | 578,690 |
| | <u>1,025,612</u> | <u>1,099,059</u> |

| | 2017 £ | 2016 £ |
|--------------------------------------|----------------|----------------|
| Deferred income | | |
| Deferred income at 1 September 2016 | 182,439 | 130,564 |
| Resources deferred during the year | 173,110 | 182,439 |
| Amounts released from previous years | (182,439) | (130,564) |
| Deferred income at 31 August 2017 | <u>173,110</u> | <u>182,439</u> |

Deferred income at the 31 August 2017 was comprised of the following:

£32,817 (2016 - £26,514) of rates rebate received in advance
£89,810 (2016 - £99,641) of trip, music and other similar income received in advance
£41,298 (2016 - £47,034) of Universal Free School Meals received in advance of eligibility
£Nil (2016 - £9,250) of Children's Centre grant received in advance of eligibility
£6,288 (2016 - £Nil) of Nursery funding received in advance of eligibility
£276 (2016 - Nil) of money for school dinners received in advance of eligibility
£2,620 (2016 - £Nil) of money received for school uniforms in advance of their supply.

20. CREDITORS: Amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|-------------|---------------|---------------|
| Other loans | <u>24,800</u> | <u>27,900</u> |

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20. CREDITORS: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

| | 2017 £ | 2016 £ |
|--------------------------|-----------|-----------|
| Repayable by instalments | - | 3,100 |

The above loan is a Salix interest free loan which will be repaid in twice yearly instalments of £3,100 over a period of 5 years.

21. STATEMENT OF FUNDS

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|-------------------------------------|---|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General fund | 975,999 | 1,551,962 | (1,098,196) | (284,678) | - | 1,145,087 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | 328,266 | 8,380,695 | (8,499,965) | 13,914 | - | 222,910 |
| MAT funds | 64,548 | 234,827 | (232,432) | 68 | - | 67,011 |
| Children's Centre | - | 9,250 | (9,250) | - | - | - |
| LAC fund | 26,985 | - | (8,872) | - | - | 18,113 |
| Other ESFA | 4,882 | 145,698 | (136,863) | - | - | 13,717 |
| Pupil premium | - | 456,778 | (456,778) | - | - | - |
| LA grants | - | 153,029 | (153,029) | - | - | - |
| SEN funding | - | 121,881 | (121,881) | - | - | - |
| Other gov grants | - | 1,500 | (1,500) | - | - | - |
| Pension reserve | (4,879,000) | - | (498,000) | - | 1,017,000 | (4,360,000) |
| | (4,454,319) | 9,503,658 | (10,118,570) | 13,982 | 1,017,000 | (4,038,249) |
| Restricted fixed asset funds | | | | | | |
| Inherited fixed assets | 31,128,864 | - | (398,024) | - | - | 30,730,840 |
| Assets funded from GAG | 98,648 | - | (56,154) | 116,137 | - | 158,631 |
| Assets funded from capital grants | 1,876,841 | 1,892,809 | (43,563) | 154,559 | - | 3,880,646 |
| Capital asset donations | 197,346 | - | (4,027) | - | - | 193,319 |
| Capital donations | - | 17,302 | - | - | - | 17,302 |
| | 33,301,699 | 1,910,111 | (501,768) | 270,696 | - | 34,980,738 |
| Total restricted funds | 28,847,380 | 11,413,769 | (10,620,338) | 284,678 | 1,017,000 | 30,942,489 |
| Total of funds | 29,823,379 | 12,965,731 | (11,718,534) | - | 1,017,000 | 32,087,576 |

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 September 2015 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2016 £ |
|-------------------------------------|--|-------------------|---------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General fund | 928,885 | 1,141,556 | (799,047) | (295,395) | - | 975,999 |
| | <u>928,885</u> | <u>1,141,556</u> | <u>(799,047)</u> | <u>(295,395)</u> | <u>-</u> | <u>975,999</u> |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | 154,620 | 8,113,690 | (8,218,661) | 278,617 | - | 328,266 |
| MAT funds | 32,102 | 215,652 | (183,206) | - | - | 64,548 |
| Children's Centre | 6,047 | 111,002 | (118,458) | 1,409 | - | - |
| LAC fund | 23,546 | - | (11,450) | 14,889 | - | 26,985 |
| Other ESFA | - | 180,755 | (175,873) | - | - | 4,882 |
| Pupil premium | - | 443,132 | (443,132) | - | - | - |
| LA grants | - | 176,681 | (176,681) | - | - | - |
| SEN funding | - | 102,783 | (102,783) | - | - | - |
| Pension reserve | (2,828,000) | - | (213,000) | - | (1,838,000) | (4,879,000) |
| | <u>(2,611,685)</u> | <u>9,343,695</u> | <u>(9,643,244)</u> | <u>294,915</u> | <u>(1,838,000)</u> | <u>(4,454,319)</u> |
| Restricted fixed asset funds | | | | | | |
| Inherited fixed assets | 31,527,375 | - | (398,511) | - | - | 31,128,864 |
| Assets funded from GAG | 119,902 | - | (77,021) | 55,767 | - | 98,648 |
| Assets funded from capital grants | 914,682 | 1,045,997 | (28,551) | (55,287) | - | 1,876,841 |
| Capital asset donations | - | 201,373 | (4,027) | - | - | 197,346 |
| | <u>32,561,959</u> | <u>1,247,370</u> | <u>(508,110)</u> | <u>480</u> | <u>-</u> | <u>33,301,699</u> |
| Total restricted funds | <u>29,950,274</u> | <u>10,591,065</u> | <u>(10,151,354)</u> | <u>295,395</u> | <u>(1,838,000)</u> | <u>28,847,380</u> |
| Total of funds | <u>30,879,159</u> | <u>11,732,621</u> | <u>(10,950,401)</u> | <u>-</u> | <u>(1,838,000)</u> | <u>29,823,379</u> |

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

Unrestricted funds

These funds have arisen from the Academy Trust's activities for generating funds. The funds are to be used for the furtherance of any of the Academy Trust's charitable objectives and can be used at the Directors' discretion.

Restricted Fixed Asset fund

This fund represents capital funding to be used for capital purposes less any depreciation charges on such expenditure.

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21. STATEMENT OF FUNDS (continued)

General Annual Grant

These funds are to be used in accordance with the Academy Trust's funding agreement with the Secretary of State.

Other ESFA

These funds represent restricted funds to be used for the furtherance of the Academy Trust's charitable objectives.

Pension

The pension reserve relates to the Academy Trust's share of the deficit of the Local Government Pension Scheme.

Children's Centre

These funds have arisen from the operation of the Prince Avenue Children's Centre.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

| | Total 2017 £ | <i>Total 2016 £</i> |
|---|-----------------------------|-----------------------------|
| Westcliff High School for Girls | 785,239 | 699,256 |
| Prince Avenue Primary School, Nursery and Children's Centre | 124,047 | 119,346 |
| Rochford Primary School and Nursery | 257,529 | 224,727 |
| Holt Farm Junior School | 233,014 | 292,804 |
| Central Services | 67,009 | 64,547 |
| Total before fixed asset fund and pension reserve | 1,466,838 | 1,400,680 |
| Restricted fixed asset fund | 34,980,738 | 33,301,701 |
| Pension reserve | (4,360,000) | (4,879,000) |
| Total | <u>32,087,576</u> | <u>29,823,381</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2017 £ | Total 2016 £ |
|---|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Westcliff High School for Girls | 3,700,957 | 762,084 | 171,598 | 1,744,329 | 6,378,968 | 6,179,491 |
| Prince Avenue Primary School, Nursery and Children's Centre | 1,370,658 | 458,798 | 65,155 | 362,985 | 2,257,596 | 2,367,999 |
| Rochford Primary School and Nursery | 712,708 | 176,880 | 35,166 | 221,909 | 1,146,663 | 1,145,947 |
| Holt Farm Junior School | 741,158 | 176,625 | 46,469 | 233,539 | 1,197,791 | 1,073,759 |
| Central Services | 31,442 | 158,442 | - | 45,866 | 235,750 | 154,844 |
| | <u>6,556,923</u> | <u>1,732,829</u> | <u>318,388</u> | <u>2,608,628</u> | <u>11,216,768</u> | <u>10,922,040</u> |

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 33,960,064 | 33,960,064 |
| Current assets | 1,253,049 | 1,233,200 | 1,051,674 | 3,537,923 |
| Creditors due within one year | (107,962) | (911,449) | (6,200) | (1,025,611) |
| Creditors due in more than one year | - | - | (24,800) | (24,800) |
| Provisions for liabilities and charges | - | (4,360,000) | - | (4,360,000) |
| | <u>1,145,087</u> | <u>(4,038,249)</u> | <u>34,980,738</u> | <u>32,087,576</u> |

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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | <i>Unrestricted funds</i> | <i>Restricted funds</i> | <i>Restricted fixed asset funds</i> | <i>Total funds</i> |
|--|-------------------------------|-----------------------------|---|------------------------|
| | 2016 | 2016 | 2016 | 2016 |
| | £ | £ | £ | £ |
| Tangible fixed assets | - | - | 32,737,201 | 32,737,201 |
| Current assets | 1,090,931 | 1,286,514 | 714,692 | 3,092,137 |
| Creditors due within one year | (114,932) | (861,833) | (122,294) | (1,099,059) |
| Creditors due in more than one year | - | - | (27,900) | (27,900) |
| Provisions for liabilities and charges | - | (4,879,000) | - | (4,879,000) |
| | <u>975,999</u> | <u>(4,454,319)</u> | <u>33,301,699</u> | <u>29,823,379</u> |

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2017 | 2016 |
|--|----------------|----------------|
| | £ | £ |
| Net income for the year (as per Statement of Financial Activities) | 1,247,197 | 782,219 |
| Adjustment for: | | |
| Depreciation charges | 501,768 | 508,110 |
| Dividends, interest and rents from investments | (2,897) | (2,828) |
| Decrease in stocks | 21,970 | 17,898 |
| Decrease/(increase) in debtors | 5,031 | (79,779) |
| (Decrease)/increase in creditors | (76,551) | 537,072 |
| Capital grants from DfE and other capital income | (1,903,609) | (1,247,370) |
| Defined benefit pension scheme cost less contributions payable | 498,000 | 213,000 |
| Net cash provided by operating activities | <u>290,909</u> | <u>728,322</u> |

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2017 | 2016 |
|--------------|------------------|------------------|
| | £ | £ |
| Cash in hand | 3,127,808 | 2,655,026 |
| Total | <u>3,127,808</u> | <u>2,655,026</u> |

25. CAPITAL COMMITMENTS

At 31 August 2017 the Academy Trust had capital commitments as follows:

| | 2017 | 2016 |
|---|------------------|---------------|
| | £ | £ |
| Contracted for but not provided in these financial statements | <u>2,681,042</u> | <u>33,946</u> |

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26. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £125,994 were payable to the schemes at 31 August 2017 (2016 - 109,628) 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers 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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £639,960 (2016 - £576,675).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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26. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £478,000 (2016 - £425,000), of which employer's contributions totalled £369,000 (2016 - £329,000) and employees' contributions totalled £109,000 (2016 - £96,000). The agreed contribution rates for future years are between 17.1% and 22.8% for employers and between 5.5% and 5.7% for employees.

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

Principal actuarial assumptions:

| | 2017 | 2016 |
|--|--------|--------|
| Discount rate for scheme liabilities | 2.60 % | 2.20 % |
| Rate of increase in salaries | 4.20 % | 4.10 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.30 % |
| Inflation assumption (CPI) | 2.70 % | 2.30 % |
| Inflation assumption (RPI) | 3.60 % | 3.20 % |

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

| | 2017 | 2016 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.2 | 22.9 |
| Females | 24.7 | 25.3 |
| Retiring in 20 years | | |
| Males | 24.3 | 25.2 |
| Females | 27.0 | 27.7 |

| | At 31 August 2017 £ | At 31 August 2016 £ |
|-----------------------------|---------------------------|---------------------------|
| Sensitivity analysis | | |
| Discount rate +0.1% | 154,000 | 162,000 |
| Discount rate -0.1% | (157,000) | (166,000) |
| CPI rate +0.1% | 235,000 | 173,000 |
| CPI rate -0.1% | (226,000) | (170,000) |

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26. PENSION COMMITMENTS (continued)

The Academy Trust's share of the assets in the scheme was:

| | Fair value at 31 August 2017 £ | <i>Fair value at 31 August 2016 £</i> |
|------------------------------|---|---|
| Equities | 1,701,000 | 1,228,000 |
| Gilts | 163,000 | 64,000 |
| Other bonds | 102,000 | 81,000 |
| Property | 254,000 | 197,000 |
| Cash | 81,000 | 54,000 |
| Alternative assets | 201,000 | 80,000 |
| Other managed funds | 111,000 | 86,000 |
| | <hr/> | <hr/> |
| Total market value of assets | 2,613,000 | 1,790,000 |
| | <hr/> | <hr/> |

The actual return on scheme assets was £288,000 (2016 - £207,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

| | 2017 £ | <i>2016 £</i> |
|--------------------------------|-------------------|-------------------|
| Current service cost | (767,000) | (438,000) |
| Interest cost | (100,000) | (104,000) |
| | <hr/> | <hr/> |
| Total | (867,000) | (542,000) |
| | <hr/> | <hr/> |
| Actual return on scheme assets | 288,000 | 207,000 |
| | <hr/> | <hr/> |

Movements in the present value of the defined benefit obligation were as follows:

| | 2017 £ | <i>2016 £</i> |
|------------------------------------|-------------------|-------------------|
| Opening defined benefit obligation | 6,669,000 | 4,028,000 |
| Current service cost | 767,000 | 438,000 |
| Interest cost | 143,000 | 159,000 |
| Employee contributions | 109,000 | 96,000 |
| Actuarial (gains)/losses | (647,000) | 1,990,000 |
| Benefits paid | (68,000) | (42,000) |
| | <hr/> | <hr/> |
| Closing defined benefit obligation | 6,973,000 | 6,669,000 |
| | <hr/> | <hr/> |

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy Trust's share of scheme assets:

| | 2017 £ | 2016 £ |
|-------------------------------------|-----------|-----------|
| Opening fair value of scheme assets | 1,790,000 | 1,200,000 |
| Interest income | 43,000 | 55,000 |
| Actuarial losses | 370,000 | 152,000 |
| Employer contributions | 369,000 | 329,000 |
| Employee contributions | 109,000 | 96,000 |
| Benefits paid | (68,000) | (42,000) |
| | <hr/> | <hr/> |
| Closing fair value of scheme assets | 2,613,000 | 1,790,000 |
| | <hr/> | <hr/> |

Pension liability reconciliation

| | 2017 £ | 2016 £ |
|-------------------------------------|-------------|-------------|
| Closing defined benefit obligation | (6,973,000) | (6,669,000) |
| Closing fair value of scheme assets | 2,613,000 | 1,790,000 |
| | <hr/> | <hr/> |
| Total | (4,360,000) | (4,879,000) |
| | <hr/> | <hr/> |

27. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2017 £ | 2016 £ |
|-------------------------|-----------|-----------|
| Amounts payable: | | |
| Within 1 year | 29,194 | 30,104 |
| Between 1 and 5 years | 74,659 | 85,979 |
| After more than 5 years | 45,465 | 63,339 |
| | <hr/> | <hr/> |
| Total | 149,318 | 179,422 |
| | <hr/> | <hr/> |

28. MEMBERS' LIABILITY

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

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29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length except where otherwise indicated and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

South Essex Teaching School Alliance Trust (SETSAT) is a charity with a number of common trustees.

During the year the following services and facilities were provided at cost to SETSAT by the Academy Trust:

| | 2017 £ | 2016 £ |
|-----------------|-----------|-----------|
| Finance support | 2,000 | 2,000 |
| Seconded staff | 99,024 | 71,118 |
| Other | 19,233 | 6,242 |

Other transactions totalling £5,545 with SETSAT, of which there were 6, were made at cost for courses provided to Trust staff.

At the balance sheet date the amount due from SETSAT was £16,261 (2016 - £30,021).

Other related party transactions were as follows:

The trust transacted at cost with the Southend Education Trust, of which William Hill, a director of the trust, sits as trustee. There were 15 transactions during the year totalling £4,545 for conference and counselling services.

The trust transacted with the Southend Association of Voluntary Service, a company of which Murray Foster, a director of the trust, is a director. There was 1 transaction during the year of £65 for training.

The trust transacted at cost with Developing Potential Limited, a company of which the husband of Amanda Solomons, a director of the trust, is a managing partner. There was 1 transaction during the year of £12,165.50, the cost of which was recharged to SETSAT.

The trust transacted at cost with Porters Grange Primary School, an academy school where David Struthers, a director, sits on the local governing body. There was 1 transaction for £50 for training.

At the balance sheet date there was nothing owed to or by any of the above related parties other than that already disclosed above.

30. AGENCY ARRANGEMENTS

The Academy Trust administers the distribution of the new discretionary support for learners, the 16-19 Bursary Fund, on behalf of the ESFA. In the year it received £19,122 (2016: £15,995) and disbursed £19,122 (2016: £8,600), with £7,395 (2016: £7,395) repayable to the ESFA at the 31 August 2017 and is included within other creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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31. FUNDS HELD AS CUSTODIAN

During the year the Academy Trust held funds on behalf of SOPHA. In the year it received £12,000 (2016: £20,131) and disbursed £2,665 (2016: £13,449). At the year end £16,017 (2016: £6,682) of cash at bank related to SOPHA and is represented within other creditors.

32. FUNDS TRANSFERS

£153,387 transferred from unrestricted funds to restricted funds representing restricted expenditure funded by unrestricted funds.

£131,222 transferred from unrestricted funds to restricted fixed asset funds representing capital expenditure funded by unrestricted funds.

£68 transferred from unrestricted funds to the restricted MAT funds balance representing interest on MAT funds.

£33,473 transferred from GAG to restricted fixed asset fund representing capital expenditure purchased from GAG income.

£106,000 transferred from the restricted fund to the restricted fixed asset fund representing payment of capital work completed during the prior year by the Local Authority but paid for by the Trust in the current year.

£14,193 transferred from the restricted fixed asset fund for capital expenditure from GAG to restricted fixed asset fund for capital expenditure from capital grants where GAG has been used to top up capital funding.

£15,231 transferred from the restricted fixed asset capital fund representing asset purchased from capital grants to the restricted fixed asset fund representing assets purchased from GAG where the devolved formula capital grant has contributed to works paid for from the GAG.

33. POST BALANCE SHEET EVENT

On the 1 September 2017 the activities of the company and charity, South Essex Teaching School Alliance Trust, transferred into the charitable company of South East Essex Academy Trust.

At this date the following balances were transferred:

| | |
|-----------------------|-----------|
| Tangible fixed assets | £697 |
| Current assets | £215,429 |
| Current liabilities | (£47,474) |