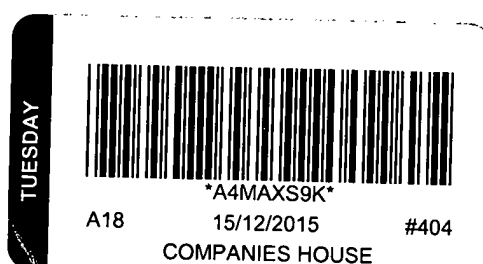


REGISTERED COMPANY NUMBER: 07527304 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2015
FOR**

SOUTH EAST ESSEX ACADEMY TRUST

Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ



SOUTH EAST ESSEX ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2015

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SOUTH EAST ESSEX ACADEMY TRUST
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2015

The Directors present their report together with the financial statements of South East Essex Academy Trust (SEEAT) for the year ended 31 August 2015. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies detailed on the attached financial statements, and comply with the Academy Trust's Articles of Association, the Companies Act 2006, the requirements of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" as issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

The Academy Trust's object is specifically restricted to the following: 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. To achieve this the responsibilities of the members are delegated to the Directors.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
07527304 (England and Wales)

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

Directors

Mrs H J Boyd	- appointed 9/10/2014
Mrs L B Campbell	- resigned 31/3/2015
Mr M S C Foster	
Mrs J Harding	
Dr P B Hayman	
Mrs A J Solomons	- appointed 26/3/2015
Mr M D Wilson	
Mr G T E Crispin	
Mr W Hill	
Mr A C Howe	- resigned 31/8/2015
Mr M I Lambert	
Mrs S A Schofield	- resigned 27/1/2015
Mrs S Worthington	
Mr D Struthers	

Members

Mr M S C Foster	- Chair of SEEAT Board
Dr P B Hayman	- Executive Principal and Accounting Officer
Mrs L B Campbell	- resigned 31/03/2015
Mr M D Wilson	
Ms S Worthington	

Unless otherwise stated all of the above were either Directors from 1 September 2014 to the date of this report.

SOUTH EAST ESSEX ACADEMY TRUST
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2015

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

Solicitors

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

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

Bankers

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

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

SOUTH EAST ESSEX ACADEMY TRUST
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Multi-Academy Trust is a company limited by guarantee with no share capital and is a charity by Statute. The Academy Trust's Funding Agreement and Articles of Association are the primary governing documents of the Academy Trust. The Members of the company are nominated by either the Secretary of State for Education or by existing Members. 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.

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

In May 2013 Westcliff High School for Girls became an accredited Academy Sponsor. Westcliff High School for Girls, Prince Avenue Primary School, Nursery and Children's Centre along with Rochford Primary School and Nursery 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 Directors for SEEAT and formed a Local Governing Body. The Governing Bodies of Prince Avenue Primary School, Nursery and Children's Centre along with Rochford Primary School and Nursery 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 November 2014.

Members

The Members who were in office at 31 August 2015 and served throughout the period, are listed at the start of this report.

During the period under review the members met three times.

Members' liability

Each Member of the 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.

Directors

There are 11 Directors. During the period 1 September 2014 to 31 August 2015 the Directors met 5 times.

Recruitment and appointment of new 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 Board of Directors.

Induction and training of new Directors and Governors

New Directors and Governors will 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/Academy 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.

SOUTH EAST ESSEX ACADEMY TRUST
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The Directors are responsible for the general policies of the Academy Trust and the day-to-day running of the school is delegated to the 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

Related parties

Owing to the nature of the Academy Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Director has an interest. All transactions involving such organisations are conducted at normal commercial rates and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Risk management

The Directors have a duty to identify and review the risks to which the Academy Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips etc) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls and have appointed a Finance and Operations Director for the Academy Trust in order to minimise risk and introduce operational efficiencies. Where significant financial risk still remains they have ensured they have adequate insurance cover.

SOUTH EAST ESSEX ACADEMY TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2015

OBJECTIVES AND ACTIVITIES

Objects and aims

The Academy 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.

Objectives, strategies and activities

The principal activity of the Academy Trust 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 Academy Trust during the year ended 31 August 2015 are summarised below:

- to provide nursery and primary education for boys and girls aged 3 - 11, at Prince Avenue Academy and Nursery and Rochford Primary and Nursery School and 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 11-18;
- 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 achievement of all pupils;
- to improve the effectiveness of the 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;
- 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 the Academy's business in accordance with the highest standards of integrity, probity and openness.

Equal opportunities policy

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. Each Academy aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

SOUTH EAST ESSEX ACADEMY TRUST
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2015

OBJECTIVES AND ACTIVITIES

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of each Academy. The policy of each Academy is to support recruitment and retention of students and employees with disabilities. Each Academy does this by adapting the physical environment, by making support resources available and through training and career development.

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.

SOUTH EAST ESSEX ACADEMY TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

Achievement and performance

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 progress 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 Academy 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 SETSAT (South Essex Teaching School Alliance Trust, 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.

Plans for future periods

The Academy 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 and higher education or employment once they leave.

At Westcliff High School for Girls there will be a bid to the Condition Improvement Fund for the replacement of Design and Technology facilities and the addition of enough space to allow the school to expand to 6 forms of entry. There will be an additional bid for urgent roofing works to safeguard the existing main building.

Prince Avenue's School Development Plan identifies key actions and initiatives to accelerate progress and raise attainment further. The introduction of a new Teaching and Learning 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. The possibility of installing solar panels on the school roof to reduce energy cost is being pursued through a survey which has been commissioned by the Trust.

Holt Farm Junior's SENCo (Special Educational Needs Co-ordinator) is now in place for two half days per week and will be undertaking accredited training in the near future. Previously, Mr Howe, Executive Headteacher, had this responsibility.

At Holt Farm Juniors, the school has at last been awarded funding to replace the boilers. Discussions are currently ongoing as to when this happens. A bid will be made to the Condition Improvement Fund for works to the roof and safeguarding improvements. Consideration will be given to a solar PV installation. As the school's positive reputation continues to build, so do numbers on roll. Leadership is keen to explore options to extend its facilities and avoid having to resort to using the 'portakabins' as classrooms once the school has three forms within each year group.

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

Westcliff High School for Girls

Total students in the year ended 31st August 2015 numbered 1117 with 332 in the Sixth Form. Examination results for 2015 were very pleasing:

SOUTH EAST ESSEX ACADEMY TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

Achievement and performance

Key performance indicators

At GCSE 100% of Year 11 student achieved 5(+) A*-C grades including English and Mathematics.

At A2 Level, 84.7% of all grades were at A*, A or B. The average UCAS points score per candidate was 384.9.

Westcliff High School for Girls is a licenced centre for the Duke of Edinburgh Award scheme. During this year 113 students achieved the Bronze Award, 34 students achieved the Silver Award and 11 students achieved the Gold Award.

On 1st September 2014 the school took possession of the New Hylands building for its Sixth Form.

Prince Avenue Primary School, Nursery and Children's Centre

The school has maintained the results it achieved last year and is above the floor targets in all areas. Significant progress has been made in mathematics with the school's results being in the top 33% of all schools for attainment at Key Stage 2. Progress measures in all subjects are above comparative national data at Key Stage 2. The school remains focused on raising attainment specifically in reading and writing whilst building on the successes it has achieved with mathematics. Results at Key Stage 1 are a priority for improvement. The national percentages given below are 2015 figures.

Key Stage 1 results:

	Level 2B+ school	Level 2B+ national	Level 3 school	Level 3 national
Reading	90%	90%	20%	32%
Writing	78%	88%	10%	18%
Mathematics	88%	93%	15%	26%

Key Stage 2 results:

	Level 4+ school	Level 4+ national	Level 5+ school	Level 5+ national
Reading	81%	89%	40%	48%
Writing	72%	87%	23%	36%
Mathematics	88%	87%	37%	42%
GPS	72%	80%	42%	55%
Reading Writing Mathematics Combined	72%	80%	16%	24%

	2 Levels Expected Progress school	2 Levels Expected Progress national	3 Levels Above Progress school	3 Levels Above Progress national
Reading	93%	91%	37%	35%
Writing	98%	94%	29%	33%
Mathematics	98%	90%	51%	35%

The level of pupil attendance has remained steady at 96.1%, which is slightly below the national average of 96.2%. This puts the school in the middle of the Borough attendance table. (National absence data only available for 2013/14).

Major items of expenditure have been:

- Improved boundary fencing and playground resurfacing for security and safeguarding purposes
- The commissioning of a mosaic designed and made by the pupils in conjunction with a local artist
- Replacement of unsafe fire doors
- A new scheme of work for writing with books and resources

SOUTH EAST ESSEX ACADEMY TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

Achievement and performance

Key performance indicators

The Prince Avenue Children's Centre continues to function with a high level of local engagement. The Centre has worked closely with the school on topics such as early speech and language acquisition and the Healthy School's Initiative. New sessions and classes added this year for Sensory Play, Preparing for Work and Healthy Eating on a Budget have all been very successful and well attended. The number of children attending breakfast club has increased.

Rochford Primary School and Nursery

The school achieved good OfSTED results in summer 2013:

Key Stage 1 results were all above national averages at both Level 2B+ and Level 3 with the exception of 2b mathematics which was 2% below the national. The national percentages given below are 2015 figures.

	Level 2+ school	Level 2+ national	Level 2b+ school	Level 2b+ national	Level 3 school	Level 3 national
Reading	97%	90%	93%	82%	33%	32%
Writing	97%	88%	77%	72%	23%	18%
Mathematics	97%	93%	80%	82%	30%	26%

Key Stage 2 results were also strong, except for L5 mathematics which was 9% below the national and English Grammar, Punctuation and Spelling Test results (L4+ and 5).

	Level 4+ school	Level 4+ national	Level 4b+ school	Level 4b+ national	Level 5 school	Level 5 national
Reading	97%	89%	87%	80%	50%	48%
Writing	90%	87%	-	-	40%	36%
Mathematics	93%	87%	80%	77%	33%	42%
GPS	77%	80%	77%	73%	50%	55%

Holt Farm Junior School

The school was put into 'special measures' in January 2013:

Key Stage 2 results were all above national averages apart from reading and writing at Level 5.

	Level 4+ school	Level 4+ national	Level 4b+ school	Level 4b+ national	Level 5 school	Level 5 national
Reading	93%	89%	82%	80%	36%	48%
Writing	89%	87%	-	-	25%	36%
Mathematics	98%	87%	85%	77%	42%	42%
GPS	87%	80%	80%	73%	58%	55%

In the summer of 2015 SEEAT carried out a whole school review of Holt Farm Junior School. The following were the key findings, which show that the school has consolidated and improved on the Ofsted findings of January 2013:

- The achievement of pupils is good
- The quality of teaching is good
- The behaviour and safety of pupils is outstanding
- The quality of leadership and management is good

Going concern

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 going concern basis can be found in the Statement of Accounting Policies.

SOUTH EAST ESSEX ACADEMY TRUST
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

Financial review

Financial report for the period

Most of the Academy Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The figures below show a significant uplift over the past year. This is a result of the addition of Holt Farm Junior School on 1 September 2014.

During the year ended 31 August 2015, total expenditure (excluding restricted fixed asset funds) of £10,311,871 (2014 - £7,380,850) was incurred. The excess income over expenditure for the period (excluding restricted fixed asset funds) was a deficit of £74,615 (2014 - deficit of £236,350).

At 31 August 2015 the net book value of fixed assets was £32,575,837 (2014 - £30,856,266) 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.

Financial Position

The Academy Trust held fund balances at 31 August 2015 of £30,879,159 (2014 - £29,209,441) comprising £216,313 (2014 - £266,704) of restricted funds, £32,561,958 (2014 - £30,863,597) of restricted fixed asset funds, £928,888 (2014 - £569,140) of unrestricted general funds and a pension reserve deficit of £2,828,000 (2014 - £2,490,000).

Reserves Policy

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

Principal Risks and Uncertainties

The principal risks and uncertainties that could undermine the Academy Trust as a 'going concern' 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 EFA by applying for Capital Grants whenever appropriate. The Trust actively seeks alternative external sources of funding.

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.

Principal funding sources

The Academy Trust's principal funding source is the Education Funding Agency (EFA), 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 EFA and any associated expenditure are included within restricted funds in the Statement of Financial Activities.

The Academy Trust also received grants from the EFA 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.

SOUTH EAST ESSEX ACADEMY TRUST

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2015**

STRATEGIC REPORT

Financial review

Investment policy and objectives

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

The Report of the Directors, incorporating a strategic report, was approved by the Board of Directors on 10 December 2015 and signed on the Board's behalf by:



.....
Mr M S C Foster - Chairman

SOUTH EAST ESSEX ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

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 of loss.

The Board of the 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 Report of the Directors and in the Statement of Directors Responsibilities. The Board of Directors has formally met 5 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 L B Campbell	4	4
Mr G Crispin	5	5
Mrs H Boyd	5	5
Mr M S C Foster	5	5
Mrs J Harding	4	5
Dr P B Hayman	5	5
Mr W Hill	5	5
Mr A Howe	5	5
Mr M Lambert	5	5
Mrs A Solomons	1	1
Mrs S Schofield	2	2
Mr M D Wilson	5	5
Ms S Worthington	5	5
Mr D Struthers	5	5

The Audit Committee, formed February 2015, was a sub-committee of South East Essex Academy Trust. Its purpose was to assist the Directors in meeting their responsibilities as laid down in Company Law, the Academy's Articles of Association and Funding Agreement and their responsibilities for the Academy'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:

Audit Committee, 12 February 2015 to 31 August 2015

Director	Meetings attended	Out of a possible
Mr M Lambert	2	2
Mr M S C Foster	2	2
Dr P B Hayman	2	2
Mr M D Wilson	2	2
Independent members		
Mrs K Baker	1	1
Dr O Aggarwal	1	1

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.

SOUTH EAST ESSEX ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

Review of Value for Money

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 available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by the following:

- On 1 June 2015 the Academy Trust appointed a Finance & Operations Director who took over the role of Chief Financial Officer. This individual is a Chartered Accountant with considerable commercial experience as a Group Finance Director and Chief Operating Officer and is well versed in ensuring financial rigour, detailed analysis and negotiation needed to ensure best value for money. In the first three months of their role they made substantial savings and efficiencies across the Academy Trust with further improvements to come;
- During the year the reprographic costs were analysed across the Academy Trust and the contract provision for this was altered, yielding significant savings;
- Towards the end of the year 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.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 period 1 September 2014 to 31 August 2015 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 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 Trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is 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 Academy Trust Board;
- 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 an Audit Committee. The Audit Committee's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. As permitted by the Academies Financial Handbook, the tasks of the Responsible Officer (RO) have been supported through a supplementary programme of review. On a quarterly basis, the Responsible Officer reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

SOUTH EAST ESSEX ACADEMY TRUST

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

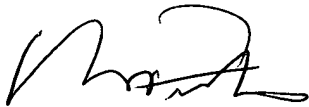
Review of Effectiveness

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:

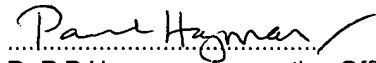
- The work of the Responsible Officer and the financial controls reports from EES for Schools Support;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy Trust who have responsibility for the development and the maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control for the period 1 September 2014 to 31 August 2015 by the RO reports, the Audit Committee and by the SEEAT Board, and plan to address any weaknesses and ensure continuous improvement of the system in place.

Approved by the Board of Directors on 10 December 2015 and signed on its behalf by:



Mr M S C Foster - Chairman



Dr P B Hayman - Accounting Officer

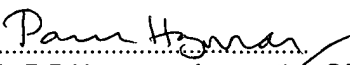
SOUTH EAST ESSEX ACADEMY TRUST

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2015**

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 Funding Agency of material irregularity, impropriety and non-compliance with EFA 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.

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.

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 EFA.


Dr P B Hayman - Accounting Officer

Date: 10 December 2015

SOUTH EAST ESSEX ACADEMY TRUST

STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2015

The Directors (who act as trustees 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 Report of the Directors and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 Academy Trust and of the incoming resources and application of resources, including the income and expenditure, of the Academy Trust for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2005;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy Trust 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 Academy Trust 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 the EFA/DfE have been applied for the purposes intended.

In so far as the Directors are aware:

- there is no relevant audit information of which the Academy Trust's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board of Directors on 10 December 2015 and signed on its behalf by:



Mr M S C Foster - Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH EAST ESSEX ACADEMY TRUST

We have audited the financial statements of South East Essex Academy Trust for the year ended 31 August 2015 on pages twenty one to forty seven. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors Responsibilities set out on page sixteen, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2015 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOUTH EAST ESSEX ACADEMY TRUST**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Robert Howe BEng FCA (Senior Statutory Auditor)
for and on behalf of Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

Date: 11 DECEMBER 2015

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO SOUTH EAST ESSEX ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014 to 2015, 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 period 1 September 2014 to 31 August 2015 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 EFA 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 EFA 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 EFA, 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 auditor

The Accounting Officer is responsible, under the requirements of South East Essex Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. 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.

The work undertaken to draw our conclusions includes:

- checking the Academy Trust's activities are consistent with its framework and its charitable objectives;
- checking internal controls are adequate and implemented effectively;
- checking that Directors and key staff have disclosed their interest in related parties, discussing the same with management and reviewing transactions during the period for undisclosed related party transactions;
- checking that any related party transactions during the period are conducted at normal commercial rates;
- checking the Academy Trust expenditure is permitted by its funding agreement;
- checking the extra-contractual payments to staff have been made in accordance with the Academies Handbook;
- checking that any borrowing entered into, including leases, are in accordance with the Academies Handbook;
- checking that any land and building transactions, especially disposals, are in line with the funding agreement and the Academies Handbook;
- checking that any write offs in excess of 1% of total income (or, if less, in excess of £45,000) have been approved by the Secretary of State;
- checking that procurement activity has been in accordance with Annex 4.4 of Managing Public Money.

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO
SOUTH EAST ESSEX ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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 period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Howe BEng FCA (Senior Statutory Auditor)
for and on behalf of Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

Date: ...11...*DECEMBER* 2015...

SOUTH EAST ESSEX ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015**

	Not es	Unrestricted fund £	Restricted funds £	Restricted fixed asset £	2015 Total funds £	2014 Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	66,384	-	-	66,384	224,599
Voluntary income - Transfer from Local Authority on conversion		91,022	(238,000)	2,107,000	1,960,022	13,063,686
Activities for generating funds	3	1,120,437	3,255	-	1,123,692	829,114
Investment income	4	1,405	3	-	1,408	3,529
Incoming resources from charitable activities						
Academy's educational operations	5	-	9,063,686	70,680	9,134,366	7,072,029
Academy's other operations		-	223,064	-	223,064	95,683
Other incoming resources		-	(94,000)	-	(94,000)	(88,000)
Total incoming resources		1,279,248	8,958,008	2,177,680	12,414,936	21,200,640
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising trading: cost of goods sold and other costs	8	799,141	-	-	799,141	607,664
Charitable activities						
Academy's educational operations	9	120,359	9,157,593	517,347	9,795,299	7,035,354
Academy's other operations		-	193,278	-	193,278	61,316
Governance costs	11	-	41,500	-	41,500	53,416
Total resources expended	7	919,500	9,392,371	517,347	10,829,218	7,757,750
NET INCOME/(EXPENDITURE) FOR THE YEAR						
		359,748	(434,363)	1,660,333	1,585,718	13,442,890
Gross transfers between funds	23	-	(38,028)	38,028	-	-
Net income/(expenditure) for the year before other recognised gains and losses		359,748	(472,391)	1,698,361	1,585,718	13,442,890
Actuarial gains/losses on defined benefit schemes		-	84,000	-	84,000	94,000
Net movement in funds		359,748	(388,391)	1,698,361	1,669,718	13,536,890

The notes form part of these financial statements

SOUTH EAST ESSEX ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted fund £	Restricted funds £	Restricted fixed asset £	2015 Total funds £	2014 Total funds £
RECONCILIATION OF FUNDS						
Total funds brought forward		569,140	(2,223,296)	30,863,597	29,209,441	15,672,551
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		<u>928,888</u>	<u>(2,611,687)</u>	<u>32,561,958</u>	<u>30,879,159</u>	<u>29,209,441</u>

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

SOUTH EAST ESSEX ACADEMY TRUST

**BALANCE SHEET
AT 31 AUGUST 2015**


	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	16	32,575,837	30,856,266
CURRENT ASSETS			
Stocks	17	81,960	83,481
Debtors	18	314,052	681,906
Cash at bank and in hand		<u>1,345,979</u>	<u>809,682</u>
		1,741,991	1,575,069
CREDITORS			
Amounts falling due within one year	19	(610,669)	(731,894)
NET CURRENT ASSETS		<u>1,131,322</u>	<u>843,175</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		33,707,159	31,699,441
PENSION LIABILITY	24	(2,828,000)	(2,490,000)
NET ASSETS		<u>30,879,159</u>	<u>29,209,441</u>
FUNDS	23		
Unrestricted funds:			
General fund		928,888	569,140
Restricted funds:			
Capital grants		32,561,958	30,863,597
General annual grant		186,720	133,648
Other EFA		23,546	131,654
Pension		(2,828,000)	(2,490,000)
Children's Centre		<u>6,047</u>	<u>1,402</u>
		<u>29,950,271</u>	<u>28,640,301</u>
TOTAL FUNDS		<u>30,879,159</u>	<u>29,209,441</u>

The notes form part of these financial statements

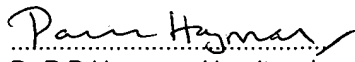
SOUTH EAST ESSEX ACADEMY TRUST

**BALANCE SHEET - CONTINUED
AT 31 AUGUST 2015**

The financial statements were approved by the Board of Directors on 10 December 2015 and were signed on its behalf by:



.....
Mr M S C Foster -Chairman



.....
Dr P B Hayman -Headteacher

The notes form part of these financial statements

SOUTH EAST ESSEX ACADEMY TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

		2015 £	2014 £
Net cash inflow from operating activities	Notes 1	596,149	353,284
Returns on investments and servicing of finance	2	(614)	8
Capital expenditure and financial investment	2	(59,238)	(536,666)
Increase/(decrease) in cash in the period		<u>536,297</u>	<u>(183,374)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(decrease) in cash in the period		<u>536,297</u>	<u>(183,374)</u>
Change in net debt resulting from cash flows		<u>536,297</u>	<u>(183,374)</u>
Movement in net debt in the period		536,297	(183,374)
Net debt at 1 September		<u>809,682</u>	<u>993,056</u>
Net debt at 31 August		<u>1,345,979</u>	<u>809,682</u>

The notes form part of these financial statements

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources	1,585,718	13,442,890
Depreciation charges	514,336	376,900
Loss on disposal of fixed assets	3,011	-
Capital grants from DfE/EFA	(70,680)	(356,667)
Transfer from Local Authority on conversion	(1,869,000)	(12,853,555)
Interest received	(1,408)	(3,529)
Interest paid	2,022	3,521
Gifted fixed asset	-	(10,000)
Decrease in stocks	1,521	9,184
Decrease/(increase) in debtors	367,854	(499,255)
(Decrease)/increase in creditors	(121,225)	131,795
Difference between pension charge and cash contributions	<u>184,000</u>	<u>112,000</u>
Net cash inflow from operating activities	<u><u>596,149</u></u>	<u><u>353,284</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	1,408	3,529
Interest paid	<u>(2,022)</u>	<u>(3,521)</u>
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u><u>(614)</u></u>	<u><u>8</u></u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(129,918)	(893,333)
Capital grants from DfE/EFA	<u>70,680</u>	<u>356,667</u>
Net cash outflow for capital expenditure and financial investment	<u><u>(59,238)</u></u>	<u><u>(536,666)</u></u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/14 £	Cash flow £	At 31/8/15 £
Net cash:			
Cash at bank and in hand	809,682	536,297	1,345,979
Total	<u><u>809,682</u></u>	<u><u>536,297</u></u>	<u><u>1,345,979</u></u>

SOUTH EAST ESSEX ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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 one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Academy Trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

General Annual Grant (GAG) is recognised in full in the year for which it is receivable and any unspent amount is reflected in the balance sheet as restricted funds carried forward.

- Grants receivable

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

- Deferred income

Income has been deferred on a capital grant for the extension of the sixth form building as the work had not been started at the balance sheet date and therefore the Academy Trust was not yet legally entitled to the income.

- Donations

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

- Other income

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

- Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at an estimate of their gross value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

SOUTH EAST ESSEX ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES - continued

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- Costs of generating funds

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

- Charitable activities

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

- Governance costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

Lease commitments

Rentals paid under operating leases are charges to the profit and loss account on a straight line basis over the period of the lease.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

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

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policies:

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Directors.

Restricted funds can only be used for particular restricted purposes within the objects of the Academy Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Transfers between the General Annual Grant fund and the Restricted Fixed Asset fund are made when the capital expenditure in the year exceeds the capital grant from the DfE, after taking into account any proceeds from the sale of fixed assets and surplus capital grants from previous periods.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

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 quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Schools joining the Academy Trust

Schools joining the Academy Trust transfer identifiable assets and liabilities and the operation of the predecessor school. The assets transferred have been valued at their fair value being a reasonable estimate of the current market value that the trust would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for the Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

	2015 £	2014 £
Other donations	<u>66,384</u>	<u>224,599</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2015 £	2014 £
School uniform income	101,485	83,715
Hire of facilities	25,540	9,164
Catering income	408,960	194,655
Other income	<u>587,707</u>	<u>541,580</u>
	<u>1,123,692</u>	<u>829,114</u>

4. INVESTMENT INCOME

	2015 £	2014 £
Deposit account interest	<u>1,408</u>	<u>3,529</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	8,922,390	8,922,390	6,502,482
DfE/EFA capital grant				
Capital grant	-	70,680	70,680	356,667
Other government grant				
Local Education Authority	<u>-</u>	<u>141,296</u>	<u>141,296</u>	<u>212,880</u>
	<u>-</u>	<u>9,134,366</u>	<u>9,134,366</u>	<u>7,072,029</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2015 Academy's other operations £	2014 Academy's other operations £
Grants	<u>223,064</u>	<u>95,683</u>

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - continued

The academy's other operations include the operation of Prince Avenue Children's Centre. Prince Avenue Children's Centre was established to provide universal and targeted services for children and families from birth. The Centre works in partnership with the NHS to provide a midwifery service, anti natal and post natal care, health clinics and advice to families on a wide range of health related and social issues. The centre provides parenting workshops, adult education classes, counselling services, employment and job seeking advice with a range of partner providers including the Local Authority, Adult Community College and privately commissioned service providers. Centre Staff ensure that all groups run for children are Early Years Foundation Stage (EYFS) based and designed to prepare children for nursery and transition into school.

The Children's Centre is self funding, primarily by the Local Authority. Also included in other operations is a provision for EYFS services which is similarly funded.

Income for these operations are as disclosed above and an analysis of costs is disclosed in note 10.

Grants received, included in the above, are as follows:

	2015 £	2014 £
General Annual Grant(GAG)	8,931,885	6,502,482
Capital grant	70,680	356,667
Local Education Authority	<u>354,865</u>	<u>308,563</u>
	<u><u>9,357,430</u></u>	<u><u>7,167,712</u></u>

7. RESOURCES EXPENDED

		Non-pay expenditure		2015	2014
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	219,840	-	579,301	799,141	607,664
Charitable activities					
Academies educational operations					
Direct costs	6,278,700	456,956	776,729	7,512,385	5,461,227
Allocated support costs	<u>1,294,260</u>	<u>618,161</u>	<u>370,493</u>	<u>2,282,914</u>	<u>1,574,127</u>
	7,792,800	1,075,117	1,726,523	10,594,440	7,643,018
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>41,500</u>	<u>41,500</u>	<u>53,416</u>
	7,792,800	1,075,117	1,768,023	10,635,940	7,696,434

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

7. RESOURCES EXPENDED - continued

Net resources are stated after charging/(crediting):

	2015 £	2014 £
Auditors' remuneration	21,500	22,600
Auditors' remuneration for non-audit work	20,000	30,816
Depreciation - owned assets	514,336	376,900
Deficit on disposal of fixed asset	3,011	-
Operating leases	<u>38,834</u>	<u>37,572</u>

8. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	2015 £	2014 £
Purchases	579,301	508,373
Staff costs	<u>219,840</u>	<u>99,291</u>
	<u>799,141</u>	<u>607,664</u>

9. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS.

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Direct costs				
Teaching and educational support staff	74,003	6,204,697	6,278,700	4,542,049
Depreciation	-	514,336	514,336	376,900
Loss on sale of assets	-	3,011	3,011	-
Educational supplies	-	362,613	362,613	207,715
Examination fees	-	166,982	166,982	163,979
Staff development	-	140,291	140,291	128,720
Pupil support	-	-	-	1,600
Other direct costs	<u>12,798</u>	<u>33,654</u>	<u>46,452</u>	<u>40,264</u>
	86,801	7,425,584	7,512,385	5,461,227
Allocated support costs				
Support staff costs	33,558	1,260,702	1,294,260	867,739
Recruitment and support	-	47,261	47,261	24,181
Maintenance of premises and equipment	-	224,481	224,481	130,435
Cleaning	-	70,209	70,209	41,788
Rent and rates	-	57,977	57,977	38,495
Energy costs	-	163,733	163,733	118,503
Insurance	-	86,245	86,245	40,552
Security and transport	-	15,516	15,516	16,852
Catering	-	321,210	321,210	292,061
Interest payable and similar charges	<u>-</u>	<u>2,022</u>	<u>2,022</u>	<u>3,521</u>
	33,558	2,249,356	2,282,914	1,574,127
	<u>120,359</u>	<u>9,674,940</u>	<u>9,795,299</u>	<u>7,035,354</u>

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

10. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Totals
	£	£	£
Academy's other operations	44,940	148,338	193,278
Academy's educational operations	<u>7,512,385</u>	<u>2,282,914</u>	<u>9,795,299</u>
	<u>7,557,325</u>	<u>2,431,252</u>	<u>9,988,577</u>

As outlined in note 6, the costs for the Academy Trust's other operations are set out below:

	Children's Centre £	EYFS £	Total £	2014 Total £
Teaching staff	-	44,940	44,940	-
Support staff costs	99,982	38,725	138,707	57,997
Security and transport	-	-	-	441
Other support costs	<u>9,631</u>	<u>-</u>	<u>9,631</u>	<u>2,878</u>
	<u>109,613</u>	<u>83,665</u>	<u>193,278</u>	<u>61,316</u>

11. GOVERNANCE COSTS

	2015 £	2014 £
Auditors' remuneration	21,500	22,600
Auditors' remuneration for non-audit work	<u>20,000</u>	<u>30,816</u>
	<u>41,500</u>	<u>53,416</u>

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

12. DIRECTORS' REMUNERATION AND BENEFITS

The Executive Principal, other staff Directors and support staff only received remuneration, including pension contributions, in respect of services they provide undertaking the roles of Executive Principal, teachers and support staff and not in respect of their services as Directors. The value of the remuneration and pension contributions during their period of office for the Executive Principal, teachers and support staff were as follows:

Dr P B Hayman (Executive Principal and Director)

Remuneration £90,000 - £95,000 (2014: £95,000 - £100,000)

Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

Mr W Hill (Staff Director)*

Remuneration £60,000 - £65,000 (2014: £25,000 - £30,000)

Employer's pension contributions £5,000 - £10,000 (2014: £0,000 - £5,000)

Mr A Howe (Staff Director)*

Remuneration £65,000 - £70,000 (2014: £25,000 - £30,000)

Employer's pension contributions £5,000 - £10,000 (2014: £0,000 - £5,000)

Mr D Struthers (Staff Director)*

Remuneration £60,000 - £65,000 (2014: £20,000 - £25,000)

Employer's pension contributions £5,000 - £10,000 (2014: £0,000 - £5,000)

* 2014 remuneration for 5 months from conversion.

Directors' expenses

There were no Directors' expenses paid for the year ended 31 August 2015 nor for the year ended 31 August 2014.

SOUTH EAST ESSEX ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

13. STAFF COSTS

	2015 £	2014 £
Wages and salaries	6,579,972	4,598,130
Social security costs	422,716	317,974
Other pension costs	<u>973,759</u>	<u>650,972</u>
	<u><u>7,976,447</u></u>	<u><u>5,567,076</u></u>

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2015	2014
Teachers	168	153
Administration and support	<u>73</u>	<u>64</u>
	<u><u>241</u></u>	<u><u>217</u></u>

The number of employees whose emoluments fell within the following bands was:

	2015	2014
£60,001 - £70,000	4	4
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£110,000 - £120,000	<u>-</u>	<u>1</u>
	<u><u>5</u></u>	<u><u>6</u></u>

The pension contributions for the employees whose remuneration fell into the above categories are £47,629 (2014: £24,473).

Included in staff costs is an individual non-statutory/non-contractual severance payment of £1,500 (2014: no payments made).

14. DIRECTORS' AND OFFICERS' INSURANCE

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

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

15. 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 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:

	2015	2014
	£	£
Westcliff High School For Girls	50,350	12,790
Prince Avenue Primary School, Nursery and Children's Centre	31,334	30,033
Rochford Primary School and Nursery	16,291	13,588
Holt Farm Junior School	18,928	-
	<u>116,903</u>	<u>56,411</u>

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

16. TANGIBLE FIXED ASSETS

	Freehold property £	Temporary classroom £	Fixtures, fittings and equipment £
COST			
At 1 September 2014	31,370,490	46,156	239,388
Additions	2,217,210	-	6,852
Disposals	-	-	-
At 31 August 2015	<u>33,587,700</u>	<u>46,156</u>	<u>246,240</u>
DEPRECIATION			
At 1 September 2014	769,195	7,348	123,856
Charge for year	410,504	2,308	48,605
Eliminated on disposal	-	-	-
At 31 August 2015	<u>1,179,699</u>	<u>9,656</u>	<u>172,461</u>
NET BOOK VALUE			
At 31 August 2015	<u>32,408,001</u>	<u>36,500</u>	<u>73,779</u>
At 31 August 2014	<u>30,601,295</u>	<u>38,808</u>	<u>115,532</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2014	27,245	260,408	31,943,687
Additions	-	12,856	2,236,918
Disposals	-	(3,500)	(3,500)
At 31 August 2015	<u>27,245</u>	<u>269,764</u>	<u>34,177,105</u>
DEPRECIATION			
At 1 September 2014	2,855	184,167	1,087,421
Charge for year	6,097	46,822	514,336
Eliminated on disposal	-	(489)	(489)
At 31 August 2015	<u>8,952</u>	<u>230,500</u>	<u>1,601,268</u>
NET BOOK VALUE			
At 31 August 2015	<u>18,293</u>	<u>39,264</u>	<u>32,575,837</u>
At 31 August 2014	<u>24,390</u>	<u>76,241</u>	<u>30,856,266</u>

Holt Farm Junior School joined the Academy Trust in the year ended 31 August 2015. The value of property transferred on conversion was £2,107,000 and has been included as an addition to freehold property during the year.

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

17. STOCKS

	2015 £	2014 £
Stocks	<u>81,960</u>	<u>83,481</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	45,542	58,135
Other debtors	66,410	181,677
Prepayments and accrued income	<u>202,100</u>	<u>442,094</u>
	<u>314,052</u>	<u>681,906</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	62,227	227,202
Social security and other taxes	125,909	100,183
Other creditors	103,756	196,151
Accrued expenses	<u>318,777</u>	<u>208,358</u>
	<u>610,669</u>	<u>731,894</u>

20. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2015 £	2014 £
Expiring:		
Within one year	12,504	5,385
Between one and five years	9,270	15,575
In more than five years	<u>17,874</u>	<u>17,874</u>
	<u>39,648</u>	<u>38,834</u>

21. MEMBERS' LIABILITY

Every member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Academy Trust's debts and liabilities before he or she ceases to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Restricted fixed asset	2015 Total funds	2014 Total funds
	£	£	£	£	£
Fixed assets	-	-	32,575,837	32,575,837	30,856,266
Current assets	992,631	736,479	12,881	1,741,991	1,575,069
Current liabilities	(63,743)	(520,166)	(26,760)	(610,669)	(731,894)
Pension liability	-	(2,828,000)	-	(2,828,000)	(2,490,000)
	<u>928,888</u>	<u>(2,611,687)</u>	<u>32,561,958</u>	<u>30,879,159</u>	<u>29,209,441</u>

23. MOVEMENT IN FUNDS

	At 1/9/14 £	Net movement in funds £	Transfers between funds £	At 31/8/15 £
Unrestricted funds				
General fund	569,140	359,748	-	928,888
Restricted funds				
Capital grants	30,863,597	1,660,333	38,028	32,561,958
General annual grant	133,648	53,072	-	186,720
Other EFA	131,654	(70,080)	(38,028)	23,546
Pension	(2,490,000)	(338,000)	-	(2,828,000)
Children's Centre	1,402	4,645	-	6,047
	<u>28,640,301</u>	<u>1,309,970</u>	<u>-</u>	<u>29,950,271</u>
TOTAL FUNDS	<u>29,209,441</u>	<u>1,669,718</u>	<u>-</u>	<u>30,879,159</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,279,248	(919,500)	-	359,748
Restricted funds				
Capital grants	2,177,680	(517,347)	-	1,660,333
General annual grant	8,931,885	(8,878,813)	-	53,072
Other EFA	243,865	(313,945)	-	(70,080)
Pension	(332,000)	(90,000)	84,000	(338,000)
Children's Centre	114,258	(109,613)	-	4,645
	<u>11,135,688</u>	<u>(9,909,718)</u>	<u>84,000</u>	<u>1,309,970</u>
TOTAL FUNDS	<u>12,414,936</u>	<u>(10,829,218)</u>	<u>84,000</u>	<u>1,669,718</u>

SOUTH EAST ESSEX ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

23. MOVEMENT IN FUNDS - continued

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.

General annual grant

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

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 2015.

Other EFA

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

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.

SOUTH EAST ESSEX ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

23. MOVEMENT IN FUNDS - continued

Transfers between funds

Transfers have been made between the various funds so as to fund the difference between capital grants received and capital expenditure after taking into account any proceeds from the sale of fixed assets and surplus capital grants from previous periods.

Analysis of academies by fund balance

Fund balances were as follows:

	2015 £	2014 £
Westcliff High School for Girls	567,827	468,094
Prince Avenue Primary School, Nursery and Children's Centre	212,849	190,495
Rochford Primary School and Nursery	193,032	133,666
Holt Farm Junior School	139,395	-
Central services	32,098	43,589
	<u>1,145,201</u>	<u>835,844</u>
Total before fixed assets and pension reserve		
	<u>1,145,201</u>	<u>835,844</u>
Restricted fixed assets	32,561,958	30,863,597
Pension reserve	(2,828,000)	(2,490,000)
	<u>30,879,159</u>	<u>29,209,441</u>
Total		
	<u>30,879,159</u>	<u>29,209,441</u>

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 £
Westcliff High School for Girls	3,663,813	821,549	165,394	1,157,859	5,808,615
Prince Avenue Primary School, Nursery and Children's Centre	1,248,293	479,189	96,294	360,469	2,184,245
Rochford Primary School and Nursery	681,835	119,749	41,824	190,904	1,034,312
Holt Farm Junior School	707,055	119,730	59,101	225,420	1,111,306
Central services	22,642	22,588	-	128,164	173,394
	<u>6,323,638</u>	<u>1,562,805</u>	<u>362,613</u>	<u>2,062,816</u>	<u>10,311,872</u>
Academy Trust					
	<u>6,323,638</u>	<u>1,562,805</u>	<u>362,613</u>	<u>2,062,816</u>	<u>10,311,872</u>

Transfer from Local Authority on conversion

During the year ended 31 August 2015, Holt Farm Junior School joined South East Essex Academy Trust. This was previously under the control of the Local Authority (LA).

This transfer has been accounted for using the acquisition method. The assets and liabilities transferred have been recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as net income in the statement of financial activities.

The following table sets out the identifiable assets and liabilities transferred from the Local Authority and an analysis of their recognition in the statement of financial activities.

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

23. MOVEMENT IN FUNDS - continued

Transfers from Local Authority

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets				
- Freehold property	-	-	2,107,000	2,107,000
Budget surplus on LA	91,022	-	-	91,022
LGPS pension deficit	-	(238,000)	-	(238,000)
Net assets (liabilities)	<u>91,022</u>	<u>(238,000)</u>	<u>2,107,000</u>	<u>1,960,022</u>

24. PENSION AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £104,195 (2014: £68,920) were payable to the schemes as at 31 August 2015 and are included within creditors.

SOUTH EAST ESSEX ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION AND SIMILAR OBLIGATIONS - continued

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

Not less than every four years 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £579,801 (2014: £515,527)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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.

SOUTH EAST ESSEX ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2015 was £394,640, of which employer's contributions totalled £307,635 and employees' contributions totalled £87,005. The agreed contribution rates for future years are 12.5 per cent for employers and 5.5 - 12.5 per cent 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.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Present value of funded obligations	(4,028,000)	(3,244,000)
Fair value of plan assets	<u>1,200,000</u>	<u>754,000</u>
	<u>(2,828,000)</u>	<u>(2,490,000)</u>
Deficit	<u>(2,828,000)</u>	<u>(2,490,000)</u>
Liability	<u>(2,828,000)</u>	<u>(2,490,000)</u>

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

	Defined benefit pension plans	
	2015	2014
	£	£
Current service cost	396,000	221,000
Interest cost	149,000	117,000
Expected return	<u>(55,000)</u>	<u>(29,000)</u>
	<u>490,000</u>	<u>309,000</u>

SOUTH EAST ESSEX ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2015**

24. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Defined benefit obligation	(3,244,000)	(2,032,000)
Current service cost	(396,000)	(221,000)
Contributions by scheme participants	(85,000)	(56,000)
Interest cost	(149,000)	(117,000)
Actuarial losses/(gains)	139,000	16,000
Benefits paid	36,000	81,000
Business combinations	<u>(329,000)</u>	<u>(915,000)</u>
	<u>(4,028,000)</u>	<u>(3,244,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Fair value of scheme assets	754,000	403,000
Contributions by employer	306,000	197,000
Contributions by scheme participants	85,000	56,000
Expected return	55,000	29,000
Actuarial gains/(losses)	(55,000)	78,000
Benefits paid	(36,000)	(81,000)
Business combinations	<u>91,000</u>	<u>72,000</u>
	<u>1,200,000</u>	<u>754,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	65%	64%
Gilts	4%	6%
Other bonds	10%	11%
Property	12%	12%
Cash	2%	3%
Alternative assets	7%	4%

SOUTH EAST ESSEX ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION AND SIMILAR OBLIGATIONS - continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2015	2014
Rate of increase in salaries	4.5%	4.5%
Rate of increase in pensions	2.7%	2.7%
Discount rate for scheme liabilities	4.0%	3.9%
Inflation assumption (RPI)	3.6%	3.5%
Inflation assumption (CPI)	2.7%	2.7%
Expected return on assets	5.3%	5.3%

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

The Academy Trust's share of the assets and liabilities in the scheme and expected rate of returns were as follows:

	Expected return at 31/08/15 %	Fair value at 31/08/15 £	Expected return at 31/08/14 %	Fair value at 31/08/14 £
Equities		779,000	6.1%	483,000
Gilts		48,000	3.0%	49,000
Other bonds		117,000	3.6%	83,000
Property		140,000	5.1%	88,000
Cash		30,000	2.9%	21,000
Alternative assets		<u>86,000</u>	3.6%	<u>30,000</u>
Total market value of assets	5.3%	1,200,000	5.3%	754,000
Present value of scheme liabilities		<u>(4,028,000)</u>		<u>(3,244,000)</u>
Surplus / (deficit) in the scheme		<u>(2,828,000)</u>		<u>(2,490,000)</u>

Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and the projected services cost along a +/- one year age rating adjustment to the mortality assumption.

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	3,935,000	4,028,000	4,124,000
Projected service cost	385,000	394,000	404,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	4,055,000	4,028,000	4,001,000
Projected service cost	394,000	394,000	394,000

SOUTH EAST ESSEX ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION AND SIMILAR OBLIGATIONS - continued

Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	4,098,000	4,028,000	3,961,000
Projected service cost	404,000	394,000	385,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	4,133,000	4,028,000	3,925,000
Projected service cost	404,000	394,000	384,000

Amounts for the current and previous two periods are as follows:

	2015 £	2014 £	2013 £
Defined benefit pension plans			
Defined benefit obligation	(4,028,000)	(3,244,000)	(2,032,000)
Fair value of scheme assets	1,200,000	754,000	403,000
Deficit	(2,828,000)	(2,490,000)	(1,629,000)

25. RELATED PARTY DISCLOSURES

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 to SETSAT by the Academy Trust:

	2015 £	2014 £
Rent and office facilities	6,300	8,125
Finance support	2,000	2,833
Seconded staff	70,090	111,440
Other	9,186	-

At the balance sheet date, the amount due from SETSAT was £50,822 (2014 - £90,132).