

Registrar's Copy

SOUTH EAST ESSEX ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

SATURDAY



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

CONTENTS

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 15
Governance statement	16 - 20
Statement on regularity, propriety and compliance	21
Statement of Directors' responsibilities	22
Independent auditors' report on the financial statements	23 - 25
Independent reporting accountant's assurance report on regularity	26 - 27
Statement of financial activities incorporating income and expenditure account	28
Balance sheet	29
Statement of cash flows	30
Notes to the financial statements	31 - 61

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr O Aggarwal
Mr M S C Foster
Dr P B Hayman (resigned 5 July 2018)
Mr N Clark (appointed 5 July 2018)

Directors

Mrs H J Boyd (resigned 8 May 2018)^{2,3}
Mr M S C Foster, Chair of SEEAT Board^{1,2}
Mrs J Harding (resigned 31 March 2018)²
Dr P B Hayman, Executive Principal and Accounting Officer^{1,2,3}
Mr M I Lambert^{1,3}
Mrs A J Solomons²
Mr M D Wilson¹
Mrs S Worthington, Vice Chair^{1,2,3}
Mrs J Clarke (known as Ruffle)³
Miss M Sood (appointed 1 April 2018)^{1,2}

- ¹ Finance & Premises Committee
- ² Strategy & Performance Committee
- ³ Personnel & Pay Committee

Company registered number

07527304

Company name

South East Essex Academy Trust

Principal and registered office

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

Senior management team

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors

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

Bankers

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

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

Solicitors

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

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

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Directors' report, and a Directors' report under company law.

Westcliff High School for Girls; this is an 11-18 school. It has a pupil capacity of 1,250 and had a roll of 1,278 in the school census on 5 October 2018.

Prince Avenue Academy and Nursery; this is a 4-11 school. It has a pupil capacity of 472 and had a roll of 443 in the school census on 5 October 2018.

Holt Farm Junior School; this is an 8-11 school. It has a pupil capacity of 360 and had a roll of 328 in the school census on 5 October 2018.

Rochford Primary School and Nursery; this is a 4-11 school. It has a pupil capacity of 236 and had a roll of 230 in the school census on 5 October 2018.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

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

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

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

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

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

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

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

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

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

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

b. Members' liability

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

c. Directors' indemnities

No qualifying third party indemnity provisions were in force during the year.

d. Method of recruitment and appointment or election of directors

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

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

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

f. Organisational structure

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

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

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

The Multi Academy Trust has the following organisational structure:

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

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

g. Pay policy for key management personnel

The Personnel & Pay Committee is a sub-committee of the Board and sets the remuneration of the SEEAT Management Team who are considered the key personnel of South East Essex Academy Trust. In setting pay, the committee sets a pay range based on the size of the school and the nature of responsibilities taken both within each academy and across the MAT.

h. Connected organisations, including related party relationships

South Essex Teaching School Alliance Trust (SETSAT), a company limited by guarantee, is deemed a related party due to the majority of its trustees being directors of Westcliff High School for Girls. From 1st October 2018, SETSAT became a dormant company and the activities transferred into South East Essex Academy Trust under the name South Essex Teaching School Alliance (SETSA).

OBJECTIVES AND ACTIVITIES

a. Objects and aims

The charitable trust's objects are:

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

b. Objectives, strategies and activities

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

The main objectives of the Multi-Academy Trust during the year ended 31 August 2018 are summarised below:

- To provide nursery and primary education for boys and girls aged 3 - 11, at Prince Avenue Academy and Nursery, at Rochford Primary and Nursery School and education for boys and girls aged 7-11 at Holt Farm Junior School, admitted in accordance with the academy's admissions policy
- To provide secondary education at Westcliff High School for Girls, for pupils selected by ability between the ages of 11-19
- To provide CPD opportunities and school to school support within the South Essex area via the work of the South Essex Teaching School Alliance.
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- To secure the highest level of educational attainment and progress of all pupils
- To improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To promote links between primary and secondary schools
- To develop a partnership between the schools in the Trust
- To comply with all appropriate statutory and curriculum requirements
- To maintain a successful partnership with parents and carers, and welcome their involvement and support
- To maintain close links with Higher Education institutions
- To maintain close links with industry and commerce; and
- To conduct each Academy's business in accordance with the highest standards of integrity, probity and openness

c. Public benefit

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

Strategic report

a. Going concern

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

b. Review of activities

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

Westcliff High School for Girls

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

Total students in the year ended 31st August 2018 numbered 1218, 70 of which were male. Examination results for 2018 were very pleasing:

At GCSE 100% of Year 11 students achieved 4(+) Standard Pass grades including English and Mathematics and 99.3% achieved 5(+) Strong Pass grades including English and Mathematics.

At A2 Level, 74% of all grades were at A*, A or B. The average points score per candidate was 145.66.

The level of pupil attendance was 97.34%, significantly higher than the national average.

Westcliff High School for Girls is a licenced centre for the Duke of Edinburgh Award scheme. During this year 124 students achieved the Bronze Award, 37 students achieved the Silver Award and 7 students achieved the Gold Award, the highest completion rate in the South East Region.

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Prince Avenue Primary Academy and Nursery

End of KS2 attainment continues in line with national standards. Progress measures in Reading are in line with national figures whilst progress for Maths and Writing are above the national average. Average Scaled Scores in Reading at 105, Grammar, Punctuation and Spelling at 106 and Mathematics at 104 matched the national averages exactly. The number of pupils meeting the Year 1 Phonics Standard showed a slight increase 76% to 78% and the number of pupils achieving a Good Level of Development at the end of the Foundation Stage was 68%

Pupil attendance for 2017-18 was 95.5% with persistent absence (PA) at 10.6%. This is a slight deterioration on 2016-17. The numbers of pupils attending the school has continued to rise over successive years to 461 (409 in the main school, 52 in the nursery). Pupil numbers are now at full capacity in the nursery and the 11 spaces in the main school are likely to be taken in September 2018 (August 18 figures).

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

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

School 2018	National
68%	72%

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

School 2018	National
78%	82%

2018 Key Stage 1 Results: The % of children achieving 'expected' or 'greater depth'

	School 2018		National 2018	
	Expected+	Greater Depth	Expected+	Greater Depth
Reading	58%	12%	75%	26%
Writing	54%	14%	70%	16%
Maths	65%	14%	76%	22%
RWM	50%	4%	65%	12%

2018 Key Stage 2 Results: The % of children achieving 'expected' or 'greater depth'

	School 2018		National 2018	
	Expected+	Greater Depth	Expected+	Greater Depth
Reading	74%	22%	75%	28%
Writing	76%	17%	78%	20%
Maths	78%	31%	76%	24%
GPS	76%	34%	78%	34%
RWM	62%	5%	64%	10%

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Key Stage 2 - Progress

	School 2018	National
Reading	+1.8	0
Writing	+1.1	0
Maths	+2.1	0

The school was successful in a bid to the National Lottery and will receive a grant of £10,000 towards further improvements to the outdoor facilities and grounds. The school worked in partnership with the Focal Point Gallery on a digital art project which was exhibited in the town centre. Pupils performed in the Shakespeare Schools Festival at the Palace Theatre and continued to take part in a range of local music festivals and sporting competitions and events. The school was awarded Silver Sports Mark status and the senior football team completed the season as league and cup champions. Prince Avenue is now working with local community and sports clubs to bid for a grant to develop a multi surface sports facility for school and community use.

Rochford Primary & Nursery School

The school continues to move from strength to strength with the introduction of Growth Mindset, Forest Schools and Creative Writing through the Arts.

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

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

School 2018	National
81%	72%

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

School 2018	National
86%	82%

Key Stage 1 Results: The % of children achieving 'expected' and 'greater depth'

	School 2018		National 2018	
	Expected+	Greater Depth	Expected+	Greater Depth
Reading	83%	37%	75%	26%
Writing	77%	30%	70%	16%
Maths	83%	30%	76%	22%
RWM	77%	23%	65%	12%

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Key Stage 2 Results: The % of children achieving 'expected' and 'greater depth'

	School 2018		National 2018	
	Expected+	Greater Depth	Expected+	Greater Depth
Reading	97%	55%	75%	28%
Writing	80%	39%	78%	20%
Maths	87%	23%	76%	24%
GPS	87%	23%	78%	34%
RWM	87%	13%	64%	10%

Results across all phases of the school (EYFS to KS2) remain strong with all phases sitting comfortably above Essex and National figures with many figures significantly above. The school recently received a congratulatory letter from the Director of Education for Essex commending us on our outstanding achievements in terms of attainment and progress measures.

Key Stage 2 - Progress

	School 2018	National
Reading	+4.1	0
Writing	+2.7	0
Maths	+0.5	0

Attendance for the year:

<u>Year Group</u>	<u>No. of Pupils</u>	<u>% Attendance</u>	<u>Authorised Absence</u>	<u>Unauthorised Absence</u>	<u>Persistent Absence under 90%</u>	<u>Late before close of Registration (L)</u>	<u>Late after close of Registration (U)</u>
R	30	95%	3.9%	1.1%	3 pupils - 10	129	7
1	32	96.6%	2.8%	0.6%	2 pupils - 6.25	57	6
2	30	94.5%	3.8%	1.3%	4 pupils - 13.33	169	9
3	32	96%	2.5%	1.7%	2 pupils - 6.25	79	37
4	31	97.9%	1.5%	1.0%	1 pupil - 3.23	122	15
5	32	96%	2.8%	1.5%	4 pupils - 12.5	60	9
6	31	96.4%	2.3%	1.1%	2 pupils - 6.45	181	7
Total	218	96%	2.8%	1.2%	18 pupils - 8.25	797	90
Pupil Premium	59	94.48%	3.39%	2.14%	11 pupils - 18.64%	380	69
SEN Incl. EHC	10	94.77%	4.58%	0.64%	2 pupils - 50%	166	2
SEN Support	19	93.92%	4.46%	1.62%	3 pupils - 15.8%	43	12

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

RPS Key Priorities for 2018-19

RPS - School Development Plan - Key School
Priorities 2018-19

Ofsted Framework Section

Diminish the difference between the progress made between disadvantaged and non-disadvantaged children.

Outcomes for children and other learners.

Effectively monitor attendance, persistent and unauthorised absences and lateness for the groups FSM, SEN support and SEN with EHCP.

The quality of teaching, learning and assessment. The Effectiveness of leadership and management. Personal development, behaviour and welfare.

To ensure the highest attaining pupils are challenged sufficiently in lessons across the curriculum.

Outcomes for children and other learners

Further raise the profile of the wider curriculum and ensure all subjects are carefully assessed to inform next steps planning (including 'Creative Writing through the Arts' and 'Arts Mark').

The quality of teaching, learning and assessment. The Effectiveness of leadership and management. Outcomes for children and other learners

Increase the variety of outdoor learning opportunities and experiences available to our children by laying the foundations for becoming a 'Forest School.'

Outcomes for children and other learners. The quality of teaching, learning and assessment. Personal development, behaviour and welfare.

To ensure that SEND provision is closely monitored and tracked and appropriate and timely support is put in place to ensure that barriers to learning are removed to enable all children to make good or better progress from their different starting points.

The Effectiveness of leadership and management. Outcomes for children and other learners. The quality of teaching, learning and assessment.

Safeguarding remains effective across the school with the added security of the use of CPOMS (Child Protection Online Management Service).

We continue to forge strong community links with participation in a variety of sporting events through our association with the Deane's Sports Partnership and both the Infant and Junior Music Festivals which culminates in a spectacular performance at the Cliffs Pavilion during the Summer Term.

Holt Farm Junior School

HFJS has gone from strength to strength. Following an Ofsted inspection in March the school was judged as 'Good' overall and 'Outstanding' in Personal Development and Welfare. The summary of key findings confirms that:

- The passionate and focused determination to raise standards has led to rapid improvements in the quality of Teaching, Learning and Assessment;
- The schools vision 'ensuring every child achieves' is central to the work of the senior leaders and reflected in their effective monitoring systems that ensure pupils achieve well;
- Pupils enjoy school. Their attitudes to learning are good and they show respect and courtesy towards one another in class and around the school. Pupils take great pride in their work and this is reflected in the good quality presentation in books;
- The schools core values are well understood, reflected in daily routines and relationships and promoted around the school in the high quality effective presentations and displays

HFJS's 2017-2018 attainment and progress measures are very pleasing and are a good improvement from the previous academic year.

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Key Stage 2 Results: The % of children achieving 'expected' or 'greater depth'

	School 2018		National	
	Expected +	Greater Depth	Expected +	Greater Depth
Reading	78%	75%	75%	28%
Writing	90%	78%	78%	20%
Maths	87%	76%	76%	24%
GPS	86%	78%	78%	34%
Combined RWM	71%	64%	64%	10%

Key Stage 2 - Progress

	School 2018	National
Reading	+1.3	0
Writing	+2.4	0
Maths	+1.9	0

There have been plenty of other successes across the curriculum including awards for the runner up school of the year in Sport and Eco and Healthy Schools awards. The school has developed its leadership across the non-core subjects and introduced a Learning Mentor. The level of pupil attendance was 96.3%, above national average.

As the pupil numbers on roll continue to raise so does the reputation of the school. HFJS continues to strive for excellence.

HFJS's Main initiatives for 2018 19:

Continue to raise the profile of reading
Continue to develop and embed the teaching, learning and assessment within the non-core subjects

SOUTH ESSEX TEACHING SCHOOL ALLIANCE (SETSA)

Westcliff High School for Girls is the lead school for South Essex Teaching School Alliance. The Teaching School Alliance continues to support 59 schools in the South Essex area as at September 2018. Major projects in the 2017-18 year include:

SETSA was successful in it's bid for Strategic School Improvement Funds totalling £155,600 to provide a primary science project involving 20 schools across the Southend, Essex & Thurrock area. Cohort 1 received their training in 2017-18 and feedback was excellent.

SETSA continues to work in partnership with STEM Learning under the Science Learning Partnership and feedback for CPD courses and conferences is very positive.

SETSA is now in the third and final year of an agreement with Southend Borough Council to provide school improvement services to inspire and support sector-led school improvement.

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

c. Investment policy and performance

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

d. Factors relevant to achieving objectives

Continuous improvement

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

Position in the wider community

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

The schools in the Academy Trust work together to develop teaching and pupil achievement in Mathematics and English and have co-ordinated their reports on pupil achievements and progress.

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

Each of the schools actively engage with SETSA.

FINANCIAL REVIEW

a. Reserves policy

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

Funds in deficit

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

Financial Position

The Academy Trust held fund balances at 31 August 2018 of £34,498,317 (2017: £32,087,576) comprising £506,624 (2017: £321,754) of restricted funds, £36,601,823 (2017: £34,980,735) of restricted fixed asset funds, £1,365,870 (2017: £1,145,087) of unrestricted general funds and a pension reserve deficit of £3,976,000 (2017: £4,360,000).

b. Principal risks and uncertainties

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

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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

c. Principal funding and review

Principal funding sources

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

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

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

Financial review

Most of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2018, total expenditure (excluding restricted fixed asset funds) of £11,604,357 (2017: £11,216,766) was incurred. The excess income over expenditure for the period (excluding restricted fixed asset funds and before funds transfers) was £212,865 (2017: excess expenditure over income £161,146).

At 31 August 2018 the net book value of fixed assets was £36,531,424 (2017: £33,960,065) 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.

e. Key financial performance indicators

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

Additional key financial performance indicators include funds, excluding fixed assets and pensions funds as a % of total income of 13.7% (2017: 11.3%), cash ratio of 2.2 (2017: 3.1) and current ratio of 2.6 (2017: 3.5). The Trust aims to maintain and improve these measures over time.

Fundraising

SEEAT carries out a number of fundraising activities in order to improve the educational outcomes for present and future pupils. Each of the schools in SEEAT has a PTA which undertakes a number of fundraising activities throughout the year. Westcliff High School for Girls also raises funds through its School Improvement Fund which seeks donations from parents and is administered by school support staff. Westcliff High School for Girls (WHSG) has also engaged an external company, Hutt & Co to run a capital campaign on behalf of the school. Caroline Hutt is the Chair of the Association of Fundraising Consultants (AFC) and the work of Hutt & Co is

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

bound by the Code of practice of the AFC as well as the Code of Practice of the Fundraising regulator. SEEAT is registered with the Fundraising Regulator and is committed to abiding by its Code of Practice.

The activities of each PTA are monitored by each school's local governing body (LGB), as is the School Improvement Fund. The activities of Hutt & Co are monitored by both the WHSG LGB as well as by the SEEAT main Board. During the course of the year SEEAT received one complaint relating to a misdialled telephone call.

Plans for future periods

a. Future developments

The Trust will continue striving to secure the highest levels of performance of its students at all levels and will continue its efforts to ensure its primary and junior school students get a place in secondary school with all students successfully entering higher education or employment once they leave.

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

Prince Avenue is now working with local community and sports clubs to bid for a grant to develop a multi surface sports facility for school and community use. We are submitting a bid to the School Nurseries Capital Fund (SNCF) to expand our nursery with a new building. This will allow us to provide 30 hour funded places for 3 year olds together with provision for 2 year olds. If successful this will represent a major expansion in nursery places the school is able to offer. Working with property consultants the school will be resubmitting bids to the Condition Improvement Fund for the replacement of an old asbestos roof and a substantial number of Crittall windows in the corridors and hall.

Prince Avenue's School Development Plan is focused on raising standards at the end of Key Stage 1 while maintaining standards and progress at KS2. The development of the Early Year's outside area remains a focus for the coming year. Other areas for development include raising progress in science and the improvement of spelling. The introduction of a new maths scheme of work, Power Maths, will be closely monitored, together with preparations for the new national times tables test being introduced to Year 4 in 2020.

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

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

Rochford Primary and Nursery School continues its pursuit of excellence. The School Development Plan identifies key initiatives to continue to accelerate progress and further raise attainment. The school premises continue to be up scaled in order to ensure the best possible learning environment for the staff and children.

Agency arrangements and funds held as custodian

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received and disbursed amounts from the fund as detailed in note 32 to the financial statements.

The Trust also receives and distributes money for SOPHA (Southend Primary Heads Association). In the accounting period ending 31 August 2018 the trust received and disbursed amounts from the funds belonging to SOPHA as detailed in note 33 to the financial statements.

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

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Employee involvement and employment of the disabled

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

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

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

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

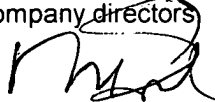
Insofar as the Directors are aware:

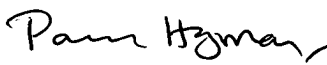
- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are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

AUDITORS

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

The Directors' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 5 December 2018 and signed on its behalf by:


Mr M S C Foster
Chair of Directors


Dr P B Hayman
Accounting Officer

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

Director	Meetings attended	Out of a possible
Mrs H J Boyd (resigned 8 May 2018)	2	3
Mr M S C Foster, Chair of SEEAT Board	4	4
Mrs J Harding (resigned 31 March 2018)	3	3
Dr P B Hayman, Executive Principal and Accounting Officer	4	4
Mr M I Lambert	4	4
Mrs A J Solomons	2	4
Mr M D Wilson	1	4
Mrs S Worthington, Vice Chair	4	4
Mrs J Clarke (known as Ruffle)	3	4
Miss M Sood	1	1

The Academy Trust Members have formally met 4 times during the year. Attendance during the year at the meetings of Trust Members was as follows:

Member	Meetings attended	Out of a possible
Dr O Aggarwal	4	4
Mr M S C Foster, Chair	4	4
Dr P B Hayman	4	4

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

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

It also ensures that appropriate policies are in place across a number of areas and performs the function of an audit committee.

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

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr M S C Foster	5	5
Dr P B Hayman	5	5
Mr M I Lambert	4	5
Mr M D Wilson	2	5
Mrs S Worthington	5	5
Miss M Sood (associate member until 1 April 2018)	4	5

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

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

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr M S C Foster	2	3
Dr P B Hayman	3	3
Mrs A J Solomons	3	3
Mrs S Worthington	3	3
Miss M Sood (associated member until 1 April 2018)	3	3

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

Its purposes and remit are set down on page 5.

Attendance at meetings was as follows:

Director	Meetings attended	Out of a possible
Mrs H I Boyd	1	1
Mrs J Clarke (known as Ruffle)	2	2
Mr M I Lambert	2	2
Mrs S Worthington	2	2
Dr P B Hayman (in attendance)	2	2

GOVERNANCE REVIEW

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

As a result of regular reviews of the "Governing Body Training/Skills Audit and Evaluation of Effectiveness of Local Governing Body (LGB)", common training needs are identified and relevant training put in place.

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

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

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- A MAT Finance Manager was formally appointed at the beginning of the year with responsibility for monthly management reporting but to also provide outreach support to the finance staff in the individual academies allowing efficiencies to be realised whilst at the same time providing better quality of operations and information.
- During the year a new accounting system was put in place throughout the SEEAT schools which has provided instant access to individual academy data to facilitate better oversight for the MAT finance team, in addition to better and more timely quality financial information for directors, governors and SLT.
- The Academy Trust has also put in place a new budget system to improve the quality of reporting to directors & local governors and to improve the information available to office staff managing the day to day budgets. The new budget system also includes monitoring tools and payroll reconciliations.
- The Academy Trust continues its programme of sharing resources across the member schools so that absences and vacancies could be covered without the need to employ expensive short term cover.

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

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South East Essex Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors;
- regular reviews by the Finance and Premises 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 EES for Schools as internal auditor.

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

- review of the controls and processes in place within the Trust.

On an annual basis, the auditor reports to the board of directors through the Finance and Premises Committee on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

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

REVIEW OF EFFECTIVENESS

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

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

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

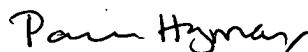
GOVERNANCE STATEMENT (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and by the SEEAT Board, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of directors on 5 December 2018 and signed on their behalf,
by:



Mr M S C Foster
Chair of Directors



Dr P B Hayman
Accounting Officer

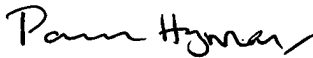
SOUTH EAST ESSEX ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of South East Essex Academy Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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



Dr P B Hayman
Accounting Officer

Date: 5 December 2018

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of directors on 5 December 2018 and signed on its behalf by:



Mr M S C Foster
Chair of Directors

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

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

OPINION

We have audited the financial statements of South East Essex Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Directors' Responsibilities, the Directors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

USE OF OUR REPORT

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Clive Smith FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants
Statutory Auditor

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE
5 December 2018

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

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

In accordance with the terms of our engagement letter dated 19 July 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South East Essex Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of South East Essex Academy Trust's funding agreement with the Secretary of State for Education dated 2014, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MWS

Chartered Accountants
Reporting Accountant

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

5 December 2018

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

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	3	507,397	12,897	1,842,847	2,363,141	2,436,511
Charitable activities	4	-	10,259,054	-	10,259,054	9,508,661
Other trading activities	5	1,031,955	-	-	1,031,955	1,017,663
Investments	6	5,919	-	-	5,919	2,897
TOTAL INCOME		1,545,271	10,271,951	1,842,847	13,660,069	12,965,732
EXPENDITURE ON:						
Raising funds		576,060	6,995	-	583,055	1,130,126
Charitable activities:						
Educational operations		563,199	10,179,203	533,971	11,276,373	10,523,624
Children's Centre & EYFS		-	-	-	-	64,785
Teacher training		-	278,900	-	278,900	-
TOTAL EXPENDITURE	9	1,139,259	10,465,098	533,971	12,138,328	11,718,535
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	22	406,012 (185,229)	(193,147) (126,983)	1,308,876 312,212	1,521,741 -	1,247,197 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		220,783	(320,130)	1,621,088	1,521,741	1,247,197
Actuarial gains on defined benefit pension schemes	27	-	889,000	-	889,000	1,017,000
NET MOVEMENT IN FUNDS		220,783	568,870	1,621,088	2,410,741	2,264,197
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,145,087	(4,038,246)	34,980,735	32,087,576	29,823,379
TOTAL FUNDS CARRIED FORWARD		1,365,870	(3,469,376)	36,601,823	34,498,317	32,087,576

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	2017 £
FIXED ASSETS				
Tangible assets	17		36,531,424	33,960,065
CURRENT ASSETS				
Stocks	18	51,824		42,094
Debtors	19	530,287		368,021
Cash at bank and in hand		2,866,412		3,127,808
		<u>3,448,523</u>		<u>3,537,923</u>
CREDITORS: amounts falling due within one year	20	(1,310,138)		(1,025,612)
NET CURRENT ASSETS			<u>2,138,385</u>	<u>2,512,311</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>38,669,809</u>	<u>36,472,376</u>
CREDITORS: amounts falling due after more than one year	21		(195,492)	(24,800)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>38,474,317</u>	<u>36,447,576</u>
Defined benefit pension scheme liability	27		(3,976,000)	(4,360,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>34,498,317</u></u>	<u><u>32,087,576</u></u>
FUNDS OF THE ACADEMY TRUST				
Restricted income funds:				
Restricted income funds	22	506,624		321,754
Restricted fixed asset funds	22	36,601,823		34,980,735
Restricted income funds excluding pension liability		37,108,447		35,302,489
Pension reserve		(3,976,000)		(4,360,000)
Total restricted income funds			<u>33,132,447</u>	<u>30,942,489</u>
Unrestricted income funds	22		<u>1,365,870</u>	<u>1,145,087</u>
TOTAL FUNDS			<u><u>34,498,317</u></u>	<u><u>32,087,576</u></u>

The financial statements on pages 28 to 61 were approved by the Directors, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:


Mr M S C Foster
Chair of Directors


Dr P B Hayman
Accounting Officer

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	24	<u>796,656</u>	<u>290,909</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		5,919	2,897
Purchase of tangible fixed assets		(3,105,331)	(1,724,633)
Capital grants from DfE Group		<u>2,041,360</u>	<u>1,903,609</u>
Net cash (used in)/provided by investing activities		<u>(1,058,052)</u>	<u>181,873</u>
Change in cash and cash equivalents in the year		(261,396)	472,782
Cash and cash equivalents brought forward		<u>3,127,808</u>	<u>2,655,026</u>
Cash and cash equivalents carried forward		<u><u>2,866,412</u></u>	<u><u>3,127,808</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

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

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

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

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

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

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

Freehold property	-	Straight line over 50 years
Temporary classroom	-	Straight line over 20 years
Freehold property improvements	-	Straight line over 10 years
Fixtures and fittings	-	Straight line over 5 years
Motor vehicles	-	25% on reducing balance
Computer equipment	-	Straight line over 3 years

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

1.6 Interest receivable

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

1.7 Stocks

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

1.8 Debtors

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 20 and 21. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Agency arrangements

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

1.15 Fund accounting

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.17 Concessionary loans

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

1.18 Redundancy and termination payments

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

2. GENERAL INFORMATION

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other grants	-	12,897	-	12,897	1,500
Government grants	-	-	1,829,847	1,829,847	1,886,307
Donations	507,397	-	13,000	520,397	548,704
	<u>507,397</u>	<u>12,897</u>	<u>1,842,847</u>	<u>2,363,141</u>	<u>2,436,511</u>
<i>Total 2017</i>	<u>531,402</u>	<u>1,500</u>	<u>1,903,609</u>	<u>2,436,511</u>	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational Operations	-	9,631,541	9,631,541	9,408,939
Children's Centre & EYFS	-	-	-	99,722
Teacher Training	-	627,513	627,513	-
	<u>-</u>	<u>10,259,054</u>	<u>10,259,054</u>	<u>9,508,661</u>
<i>Total 2017</i>	<u>-</u>	<u>9,508,661</u>	<u>9,508,661</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,693,689	8,693,689	8,615,645
Other DfE/ESFA Grants	-	631,128	631,128	558,280
	-	9,324,817	9,324,817	9,173,925
Other government grants				
Local Authority Grants	-	306,724	306,724	235,014
	-	306,724	306,724	235,014
	-	9,631,541	9,631,541	9,408,939
<i>Total 2017</i>	-	9,408,940	9,408,940	

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
School uniform	75,273	-	75,273	80,807
Hire of facilities	31,190	-	31,190	38,902
Catering income	697,539	-	697,539	584,495
Other income	227,953	-	227,953	313,459
	1,031,955	-	1,031,955	1,017,663
<i>Total 2017</i>	1,017,663	-	1,017,663	

6. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	5,919	-	5,919	2,897
<i>Total 2017</i>	2,897	-	2,897	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. DIRECT COSTS

	Educational Operations £	Children's Centre & EYFS £	Teacher Training £	Total 2018 £	<i>Total 2017 £</i>
Technology costs	92,944	-	-	92,944	107,185
Educational supplies	485,557	-	161,500	647,057	318,388
Examination fees	123,703	-	-	123,703	133,730
Staff development	43,242	-	-	43,242	157,197
Other direct costs	17,020	-	-	17,020	30,238
Legal and professional fees	105,733	-	-	105,733	15,177
PPS & telephone	39,099	-	-	39,099	-
Wages and salaries	5,215,368	-	52,814	5,268,182	5,366,395
National insurance	497,776	-	6,375	504,151	477,770
Pension cost	854,979	-	8,704	863,683	712,758
Depreciation	533,971	-	-	533,971	501,768
	8,009,392	-	229,393	8,238,785	7,820,606
<i>Total 2017</i>	7,817,741	2,865	-	7,820,606	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. SUPPORT COSTS

	Educational Operations	Children's Centre & EYFS	Teacher Training	Total 2018	Total 2017
	£	£	£	£	£
Pension income	108,000	-	-	108,000	100,000
Recruitment and support	35,909	-	-	35,909	24,771
Maintenance of premises and equipment	144,828	-	-	144,828	169,520
Cleaning	183,190	-	-	183,190	171,285
Rent and rates	86,340	-	14,171	100,511	75,078
Energy costs	184,160	-	-	184,160	149,293
Insurance	64,722	-	-	64,722	72,195
Security and transport	17,387	-	2,803	20,190	18,826
Catering	-	-	-	-	233
Interest payable and similar charges	-	-	33	33	-
Indirect staff costs	24,689	-	-	24,689	10,970
Legal and professional fees	106,193	-	-	106,193	92,846
Other support costs	151,181	-	2,899	154,080	18,480
PPS & telephone	84,174	-	1,320	85,494	107,688
Audit fees	22,000	-	-	22,000	22,000
Wages and salaries	1,334,873	-	22,404	1,357,277	1,018,377
National insurance	84,300	-	984	85,284	59,502
Pension cost	635,036	-	4,892	639,928	656,739
	3,266,982	-	49,506	3,316,488	2,767,803
<i>Total 2017</i>	<i>2,705,882</i>	<i>61,920</i>	<i>-</i>	<i>2,767,802</i>	

During the year ended 31 August 2018, the Academy Trust incurred the following Governance costs:
£23,350 (2017 - £23,789) included within the table above in respect of Educational Operations.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	48,076	-	534,979	583,055	1,130,126
Support costs	-	-	-	-	-
Educational Operations:					
Direct costs	6,568,122	533,971	907,299	8,009,392	7,817,741
Support costs	2,054,210	663,240	549,532	3,266,982	2,705,883
Children's Centre & EYFS:					
Direct costs	-	-	-	-	2,865
Support costs	-	-	-	-	61,920
Teacher Training:					
Direct costs	67,894	-	161,499	229,393	-
Support costs	28,280	14,171	7,055	49,506	-
	<u>8,766,582</u>	<u>1,211,382</u>	<u>2,160,364</u>	<u>12,138,328</u>	<u>11,718,535</u>
Total 2017	<u>8,570,083</u>	<u>1,139,139</u>	<u>2,009,313</u>	<u>11,718,535</u>	

10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations	8,009,392	3,266,982	11,276,374	10,523,624
Other Operations	-	-	-	64,785
Teacher Training	229,393	49,506	278,899	-
Total 2018	<u>8,238,785</u>	<u>3,316,488</u>	<u>11,555,273</u>	<u>10,588,409</u>
Total 2017	<u>7,820,606</u>	<u>2,767,802</u>	<u>10,588,408</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	533,971	501,768
Auditors' remuneration - audit	22,000	22,000
Operating lease rentals	33,571	30,104
	<u>589,542</u>	<u>553,872</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	6,535,369	6,444,817
Social security costs	591,777	547,254
Operating costs of defined benefit pension schemes	1,510,606	1,399,806
	<u>8,637,752</u>	<u>8,391,877</u>
Supply staff costs	128,830	162,966
Staff restructuring costs	-	15,240
	<u><u>8,766,582</u></u>	<u><u>8,570,083</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Severance payments	-	15,240
	<u><u>-</u></u>	<u><u>15,240</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Management	5	5
Teachers	130	127
Support	217	212
	<u><u>352</u></u>	<u><u>344</u></u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	2	2
In the band £110,000 - £120,000	1	0
In the band £120,000 - £130,000	0	1

The total pension contributions for the employees whose remuneration fell into the above categories were £92,590 (2017: £71,528)

In both 2017 and 2018 Dr P B Hayman received an additional payment of £10,000 for his role as Executive Principal of the MAT, on top of his normal remuneration as Headteacher of WHSG.

d. Key management personnel

The total remuneration for key management personnel, comprising 5 (2017: 5) people across the Trust,

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. STAFF COSTS (continued)

during the year was £430,801 (2017: £430,325), of which £375,211 (2017: £373,041) related to gross pay and £55,591 (2017: £57,284) related to employers' pension contributions.

13. CENTRAL SERVICES

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

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

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

The Academy Trust funding model allocates all funding directly to schools. Some services are charged to schools on a per pupil basis. Other costs are funded by a charge deducted from each schools' GAG income.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Westcliff High School for Girls	99,582	118,186
Prince Avenue Primary Academy and Nursery	52,545	52,696
Rochford Primary School and Nursery	27,918	27,999
Holt Farm Junior School	35,843	35,946
	<u>215,888</u>	<u>234,827</u>
Total		

14. DIRECTORS' REMUNERATION AND EXPENSES

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

		2018 £	2017 £
Dr P B Hayman (Executive Principal and Director)	Remuneration	110,000-115,000	120,000-125,000
	Pension contributions paid	10,000-15,000	15,000-20,000
Mr W Hill (Staff Director - now resigned)	Remuneration	-	65,000-70,000
	Pension contributions paid	-	10,000-15,000
Mr D Struthers (Staff Director - now resigned)	Remuneration	-	65,000-70,000
	Pension contributions paid	-	10,000-15,000

During the year, no Directors received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, no Directors received any reimbursement of expenses (2017 - £NIL to 0 Directors).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2018 is included within the Academy Trust's general insurance premium and is not separately identifiable.

16. OTHER FINANCE INCOME

	2018	2017
	£	£
Interest on pension scheme liabilities	(108,000)	(100,000)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. TANGIBLE FIXED ASSETS

	Freehold property £	Property improvem'ts £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
Cost					
At 1 September 2017	35,718,931	-	61,374	27,246	283,607
Additions	2,785,019	253,005	-	-	13,132
At 31 August 2018	38,503,950	253,005	61,374	27,246	296,739
Depreciation					
At 1 September 2017	2,014,108	-	14,272	16,955	234,333
Charge for the year	429,243	5,503	3,069	2,573	21,769
At 31 August 2018	2,443,351	5,503	17,341	19,528	256,102
Net book value					
At 31 August 2018	36,060,599	247,502	44,033	7,718	40,637
At 31 August 2017	33,704,823	-	47,102	10,291	49,274
				Computer equipment £	Total £
Cost					
At 1 September 2017				480,052	36,571,210
Additions				54,174	3,105,330
At 31 August 2018				534,226	39,676,540
Depreciation					
At 1 September 2017				331,477	2,611,145
Charge for the year				71,814	533,971
At 31 August 2018				403,291	3,145,116
Net book value					
At 31 August 2018				130,935	36,531,424
At 31 August 2017				148,575	33,960,065

18. STOCKS

	2018 £	2017 £
Finished goods and goods for resale	51,824	42,094

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. DEBTORS

	2018 £	2017 £
Trade debtors	98,727	22,758
Other debtors	239,801	143,848
Prepayments and accrued income	191,759	201,415
	<u>530,287</u>	<u>368,021</u>

20. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other loans	34,021	6,200
Trade creditors	163,971	197,408
Other taxation and social security	141,101	136,493
Other creditors	153,079	159,566
Accruals and deferred income	817,966	525,945
	<u>1,310,138</u>	<u>1,025,612</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	173,110	182,439
Resources deferred during the year	252,191	173,110
Amounts released from previous years	(173,110)	(182,439)
Deferred income at 31 August 2018	<u>252,191</u>	<u>173,110</u>

Deferred income at the 31 August 2018 was comprised of the following:

£30,981 (2017: £32,817) of rates rebate received in advance
£120,000 (2017: £89,810) of trip, music and other similar income received in advance
£42,444 (2017: £41,298) of Universal Free School Meals received in advance of eligibility
£6,758 (2017: £6,288) of Nursery funding received in advance of eligibility
£1,032 (2017: £276) of money for school dinners received in advance of eligibility
£1,745 (2017: £2,620) of money received for school uniforms in advance of their supply.
£32,416 of money received for teacher school grants received in advance of eligibility
£13,816 of donations received in advance of eligibility
£3,000 of employers national insurance rebate.

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

	2018 £	2017 £
Other loans	<u>195,492</u>	<u>24,800</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

	2018 £	2017 £
Repayable by instalments	<u>39,316</u>	<u>-</u>

The loans that relate to the above are as follows:

Interest free salix loan of £31,000 to be repaid twice yearly over a period of 5 years.

Interest free salix loan of £17,000 of which £7,046 has been received so far, to be repaid twice yearly over a period of 10 years.

Interest free salix loan of £50,864, of which £27,755 has been received so far, to be repaid twice yearly over a period of 8 years.

CIF loan of £250,000, of which £163,712 has been received so far, with interest charged at a rate of 2.21%, to be repaid monthly over a period of 10 years.

22. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	1,145,087	1,545,271	(1,139,259)	(368,162)	-	1,182,937
SETSA	-	-	-	182,933	-	182,933
	<u>1,145,087</u>	<u>1,545,271</u>	<u>(1,139,259)</u>	<u>(185,229)</u>	<u>-</u>	<u>1,365,870</u>
Restricted funds						
General Annual Grant (GAG)	222,912	8,477,800	(8,450,457)	55,950	-	306,205
MAT funds	67,011	215,888	(266,273)	-	-	16,626
LAC fund	18,113	-	-	-	-	18,113
Other ESFA	13,718	183,285	(197,003)	-	-	-
Pupil premium	-	448,723	(448,723)	-	-	-
LA grants	-	46,407	(46,407)	-	-	-
SEN funding	-	135,730	(135,730)	-	-	-
Initial teaching training	-	12,017	(12,017)	-	-	-
SETSA	-	627,513	(278,900)	(182,933)	-	165,680
Early years funding	-	124,588	(124,588)	-	-	-
Pension reserve	(4,360,000)	-	(505,000)	-	889,000	(3,976,000)
	<u>(4,038,246)</u>	<u>10,271,951</u>	<u>(10,465,098)</u>	<u>(126,983)</u>	<u>889,000</u>	<u>(3,469,376)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Inherited fixed assets	30,730,842	-	(397,345)	-	-	30,333,497
Assets funded from GAG	158,630	-	(72,139)	142,567	-	229,058
Assets funded from capital grants	3,811,821	1,980,360	(32,856)	175,034	-	5,934,359
Capital asset donations	193,318	-	(4,027)	-	-	189,291
DFCG	99,822	48,000	(27,604)	14,913	-	135,131
Capital loans	(31,000)	(198,513)	-	-	-	(229,513)
Capital donations	17,302	13,000	-	(20,302)	-	10,000
	<u>34,980,735</u>	<u>1,842,847</u>	<u>(533,971)</u>	<u>312,212</u>	<u>-</u>	<u>36,601,823</u>
Total restricted funds	<u>30,942,489</u>	<u>12,114,798</u>	<u>(10,999,069)</u>	<u>185,229</u>	<u>889,000</u>	<u>33,132,447</u>
Total of funds	<u>32,087,576</u>	<u>13,660,069</u>	<u>(12,138,328)</u>	<u>-</u>	<u>889,000</u>	<u>34,498,317</u>

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

Unrestricted funds

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

Restricted Fixed Asset fund

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

General Annual Grant

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

Other ESFA

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

Pension

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

SETSA

These funds have arisen from the operation of the teaching school.

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 2018.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Westcliff High School for Girls	1,146,995	785,239
Prince Avenue Primary Academy and Nursery	179,389	124,048
Rochford Primary School and Nursery	267,483	257,530
Holt Farm Junior School	261,556	233,015
Central Services	17,071	67,009
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	1,872,494	1,466,841
Restricted fixed asset fund	36,601,823	34,980,735
Pension reserve	(3,976,000)	(4,360,000)
	<hr/>	<hr/>
Total	<u>34,498,317</u>	<u>32,087,576</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 depreciat- ion £	Total 2018 £	Total 2017 £
Westcliff High School for Girls	3,594,221	1,118,670	483,835	1,457,279	6,654,005	6,378,968
Prince Avenue Primary Academy and Nursery	1,377,176	440,916	52,909	301,991	2,172,992	2,257,596
Rochford Primary School and Nursery	742,421	171,051	44,329	213,273	1,171,074	1,146,663
Holt Farm Junior School	880,976	176,592	65,984	216,460	1,340,012	1,197,791
Central Services	41,222	175,259	-	49,792	266,273	235,750
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,636,016	2,082,488	647,057	2,238,795	11,604,356	11,216,768

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General fund	975,999	1,551,962	(1,098,196)	(284,678)	-	1,145,087

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	328,266	8,380,695	(8,499,963)	13,914	-	222,912
MAT funds	64,548	234,827	(232,432)	68	-	67,011
Children's Centre	-	9,250	(9,250)	-	-	-
LAC fund	26,988	-	(8,875)	-	-	18,113
Other ESFA	4,882	145,698	(136,862)	-	-	13,718
Pupil premium	-	456,778	(456,778)	-	-	-
LA grants	-	153,029	(153,029)	-	-	-
SEN funding	-	121,881	(121,881)	-	-	-
Other gov grants	-	1,500	(1,500)	-	-	-
Pension reserve	(4,879,000)	-	(498,000)	-	1,017,000	(4,360,000)
	<u>(4,454,316)</u>	<u>9,503,658</u>	<u>(10,118,570)</u>	<u>13,982</u>	<u>1,017,000</u>	<u>(4,038,246)</u>

Restricted fixed asset funds

Inherited fixed assets	31,128,861	-	(398,019)	-	-	30,730,842
Assets funded from GAG	98,648	-	(56,155)	116,137	-	158,630
Assets funded from capital grants	1,907,841	1,892,809	(43,566)	54,737	-	3,811,821
Capital asset donations	197,346	-	(4,028)	-	-	193,318
DFCG	-	-	-	99,822	-	99,822
Capital loans	(31,000)	-	-	-	-	(31,000)
Capital donations	-	17,302	-	-	-	17,302
	<u>33,301,696</u>	<u>1,910,111</u>	<u>(501,768)</u>	<u>270,696</u>	<u>-</u>	<u>34,980,735</u>
Total restricted funds	<u>28,847,380</u>	<u>11,413,769</u>	<u>(10,620,338)</u>	<u>284,678</u>	<u>1,017,000</u>	<u>30,942,489</u>
Total of funds	<u>29,823,379</u>	<u>12,965,731</u>	<u>(11,718,534)</u>	<u>-</u>	<u>1,017,000</u>	<u>32,087,576</u>

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General fund	975,999	3,097,233	(2,237,455)	(652,840)	-	1,182,937
SETSA	-	-	-	182,933	-	182,933
	<u>975,999</u>	<u>3,097,233</u>	<u>(2,237,455)</u>	<u>(469,907)</u>	<u>-</u>	<u>1,365,870</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	328,266	16,858,495	(16,950,420)	69,864	-	306,205
MAT funds	64,548	450,715	(498,705)	68	-	16,626
Children's Centre	-	9,250	(9,250)	-	-	-
LAC fund	26,988	-	(8,875)	-	-	18,113
Other ESFA	4,882	328,983	(333,865)	-	-	-
Pupil premium	-	905,501	(905,501)	-	-	-
LA grants	-	199,436	(199,436)	-	-	-
SEN funding	-	257,611	(257,611)	-	-	-
Other gov grants	-	1,500	(1,500)	-	-	-
Initial teacher training	-	12,017	(12,017)	-	-	-
SETSA	-	627,513	(278,900)	(182,933)	-	165,680
Early years funding	-	124,588	(124,588)	-	-	-
Pension reserve	(4,879,000)	-	(1,003,000)	-	1,906,000	(3,976,000)
	<u>(4,454,316)</u>	<u>19,775,609</u>	<u>(20,583,668)</u>	<u>(113,001)</u>	<u>1,906,000</u>	<u>(3,469,376)</u>

Restricted fixed asset funds

Inherited fixed assets	31,128,861	-	(795,364)	-	-	30,333,497
Assets funded from GAG	98,648	-	(128,294)	258,704	-	229,058
Assets funded from capital grants	1,907,841	3,873,169	(76,422)	229,771	-	5,934,359
Capital asset donations	197,346	-	(8,055)	-	-	189,291
DFCG	-	48,000	(27,604)	114,735	-	135,131
Capital loans	(31,000)	(198,513)	-	-	-	(229,513)
Capital donations	-	30,302	-	(20,302)	-	10,000
	<u>33,301,696</u>	<u>3,752,958</u>	<u>(1,035,739)</u>	<u>582,908</u>	<u>-</u>	<u>36,601,823</u>
	<u>28,847,380</u>	<u>23,528,567</u>	<u>(21,619,407)</u>	<u>469,907</u>	<u>1,906,000</u>	<u>33,132,447</u>
Total of funds	<u>29,823,379</u>	<u>26,625,800</u>	<u>(23,856,862)</u>	<u>-</u>	<u>1,906,000</u>	<u>34,498,317</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	36,531,424	36,531,424
Current assets	1,455,680	1,692,931	299,912	3,448,523
Creditors due within one year	(89,810)	(1,186,307)	(34,021)	(1,310,138)
Creditors due in more than one year	-	-	(195,492)	(195,492)
Provisions for liabilities and charges	-	(3,976,000)	-	(3,976,000)
	<u>1,365,870</u>	<u>(3,469,376)</u>	<u>36,601,823</u>	<u>34,498,317</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	33,960,064	33,960,064
Current assets	1,253,049	1,233,200	1,051,674	3,537,923
Creditors due within one year	(107,962)	(911,446)	(6,200)	(1,025,611)
Creditors due in more than one year	-	-	(24,800)	(24,800)
Provisions for liabilities and charges	-	(4,360,000)	-	(4,360,000)
	<u>1,145,087</u>	<u>(4,038,246)</u>	<u>34,980,738</u>	<u>32,087,576</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	1,521,741	1,247,197
Adjustment for:		
Depreciation charges	533,971	501,768
Dividends, interest and rents from investments	(5,919)	(2,897)
(Increase)/decrease in stocks	(9,729)	21,970
(Increase)/decrease in debtors	(162,266)	5,031
Increase/(decrease) in creditors	455,218	(76,551)
Capital grants from DfE and other capital income	(2,041,360)	(1,903,609)
Defined benefit pension scheme cost less contributions payable	505,000	498,000
Net cash provided by operating activities	<u>796,656</u>	<u>290,909</u>

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	2,866,412	3,127,808
Total	<u>2,866,412</u>	<u>3,127,808</u>

26. CAPITAL COMMITMENTS

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>251,952</u>	<u>2,681,042</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

27. PENSION COMMITMENTS

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

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

Contributions amounting to £105,781 were payable to the schemes at 31 August 2018 (2017 - 125,994) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- 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%.

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

The employer's pension costs paid to TPS in the period amounted to £659,059 (2017 - £639,960).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

27. PENSION COMMITMENTS (continued)

trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £543,453 (2017 - £478,000), of which employer's contributions totalled £427,273 (2017 - £369,000) and employees' contributions totalled £116,180 (2017 - £109,000). The agreed contribution rates for future years are between 17.1% and 22.8% for employers and between 5.5% and 5.7% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation assumption (RPI)	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	162,000	154,000
Discount rate -0.1%	(165,000)	(157,000)
Mortality assumption - 1 year increase	244,000	235,000
Mortality assumption - 1 year decrease	(237,000)	(226,000)

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

27. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,082,000	1,701,000
Gilts	175,000	163,000
Other bonds	192,000	102,000
Property	291,000	254,000
Cash	111,000	81,000
Alternative assets	293,000	201,000
Other managed funds	126,000	111,000
	<hr/>	<hr/>
Total market value of assets	3,270,000	2,613,000
	<hr/>	<hr/>

The actual return on scheme assets was £178,000 (2017 - £288,000).

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

	2018 £	2017 £
Current service cost	(821,000)	(767,000)
Past service cost	(1,339)	-
Interest cost	(108,000)	(100,000)
Admin expenses	(1,000)	-
	<hr/>	<hr/>
Total	(931,339)	(867,000)
	<hr/>	<hr/>
Actual return on scheme assets	178,000	288,000
	<hr/>	<hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	6,973,000	6,669,000
Current service cost	821,000	767,000
Interest cost	182,000	143,000
Employee contributions	116,000	109,000
Actuarial gains	(785,000)	(647,000)
Benefits paid	(61,000)	(68,000)
	<hr/>	<hr/>
Closing defined benefit obligation	7,246,000	6,973,000
	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

27. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	2,613,000	1,790,000
Interest income	74,000	43,000
Actuarial losses	104,000	370,000
Employer contributions	425,000	369,000
Employee contributions	116,000	109,000
Benefits paid	(61,000)	(68,000)
Admin expenses	(1,000)	-
	<u>3,270,000</u>	<u>2,613,000</u>
Closing fair value of scheme assets	<u>3,270,000</u>	<u>2,613,000</u>

Pension liability reconciliation

	2018 £	2017 £
Closing defined benefit obligation	(7,246,000)	(6,973,000)
Closing fair value of scheme assets	3,270,000	2,613,000
	<u>(3,976,000)</u>	<u>(4,360,000)</u>
Total	<u>(3,976,000)</u>	<u>(4,360,000)</u>

28. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	25,924	29,194
Between 1 and 5 years	72,605	74,659
After more than 5 years	27,591	45,465
	<u>126,120</u>	<u>149,318</u>
Total	<u>126,120</u>	<u>149,318</u>

29. MEMBERS' LIABILITY

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

30. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

In the previous year South Essex Teaching School Alliance (SETSA) was a separate trust with a number of common trustees. SETSA moved into the Trust during the year and therefore any transactions this year are within the figures on the SOFA.

	2018 £	2017 £
Finance support	-	2,000
Seconded staff	-	99,024
Other	-	19,233
	<u> </u>	<u> </u>

Other transactions with SETSAT totalled £Nil (2017: £5,545, of which there were 6, were made at cost for courses provided to Trust staff).

At the balance sheet date the amount due from SETSAT was £Nil (2017 - £16,261).

Other related party transactions were as follows:

During the year ended 31 August 2018, payments to Developing Potential Ltd and Nineteen Minutes Ltd were made for the completion of a 2 year NCTL leadership Equality and Diversity Project initiated in 2016-2017 and via SETSAT. The project was completed during 2017-18 via SEEAT following the transfer of activities.

The Trust transacted at cost with Nineteen Minutes Ltd, of which director Amanda Solomons, is a director. There were 4 transactions during the year totalling £21,052 for a 'Women in Leadership' programme. A statement of assurance has been received from Nineteen Minutes Ltd confirming the transactions at cost.

The Trust has not transacted with the above companies since the balance sheet date and has no further commitments to do so following completion of the project.

The Trust transacted at cost with Developing Potential Limited, a company of which the husband of Amanda Solomons, a director of the Trust, was a managing partner. There were no transactions during the year of £Nil (2017: £12,165), the cost of which last year was recharged to SETSAT.

The Trust transacted at cost with the Southend Education Trust, of which William Hill, a former director of the Trust, sits as trustee. There were no (2017: 15) transactions during the year totalling £Nil (2017: £4,545) for conference and counselling services as William Hill is no longer a director of the Trust.

The Trust transacted with the Southend Association of Voluntary Service, a company of which Murray Foster, a director of the trust, is a director. There were no (2017: 1) transactions during the year of £Nil (2017: £65) for training.

The Trust transacted at cost with Porters Grange Primary School, an academy school where David Struthers, a director, sits on the local governing body. There were no (2017: 1) transactions for £Nil (2017: £50) for training.

At the balance sheet date there was nothing owed to or by any of the above related parties other than that already disclosed above. In entering into the transactions the Trust has complied with the requirements of the Academies Financial Handbook 2017.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

30. RELATED PARTY TRANSACTIONS (continued)

During the year the following Directors made donations (either one off or regular payments) to the Trust:

M Sood	£10
M Foster	£335
M Wilson	£170
P Hayman	£7,500
J Harding	£50
H Boyd	£84

Directors' remuneration and expenses have already been disclosed in note 14.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

31. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
Funds transferred in	168,652		-	
Grant income	305,066		-	
Training income	153,795		-	
	<hr/>		<hr/>	
TOTAL DIRECT INCOME	627,513		-	
TOTAL INCOME		627,513		-
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	67,894		-	
Educational supplies	161,500		-	
	<hr/>		<hr/>	
TOTAL DIRECT EXPENDITURE	229,394		-	
OTHER EXPENDITURE				
Other staff costs	28,280		-	
Rent and rates	14,171		-	
Security and transport	2,803		-	
Interest payable and charges	33		-	
Other support costs	2,899		-	
PPS & telephone	1,320		-	
	<hr/>		<hr/>	
TOTAL OTHER EXPENDITURE	49,506		-	
TOTAL EXPENDITURE		278,900		-
SURPLUS FROM ALL SOURCES		<hr/>		<hr/>
		348,613		-
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		-		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		<hr/> <hr/>		<hr/> <hr/>
		348,613		-

32. AGENCY ARRANGEMENTS

The Academy Trust administers the distribution of the new discretionary support for learners, the 16-19 Bursary Fund, on behalf of the ESFA. In the year it received £16,627 (2017: £19,122) and disbursed £16,627 (2017: £19,122). There was no balance owed at the year end.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

33. FUNDS HELD AS CUSTODIAN

During the year the Academy Trust held funds on behalf of SOPHA. In the year it received £1,600 (2017: £12,000) and disbursed £6,940 (2017: £2,665). At the year end £10,678 (2017: £16,017) of cash at bank related to SOPHA and is represented within other creditors.

34. FUNDS TRANSFERS

£52,336 transferred from unrestricted funds to restricted funds representing restricted expenditure funded by unrestricted funds.

£315,826 transferred from unrestricted funds to restricted fixed asset funds representing capital expenditure funded by unrestricted funds.

£20,302 transferred between restricted fixed asset funds representing capital donations used to contribute to works paid out of capital grants.

£15,527 transferred between restricted fixed asset funds to adjust split of assets.

£3,614 transferred between restricted fixed asset funds representing the contribution of devolved formula capital grant to CIF projects.

£48,361 was transferred from the restricted SETSA fund to the unrestricted SETSA fund representing unrestricted income received with restricted funding and related expenditure spent along with restricted expenditure.

£134,572 was transferred from the restricted SETSA fund to the unrestricted SETSA fund representing the balance relating to income initially considered restricted until targets are met at which time remaining funds are considered unrestricted.