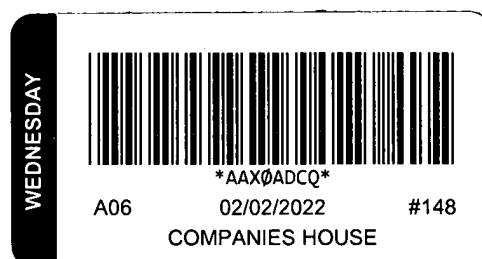


Company Registration No. 07693309 (England and Wales)

**SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**



# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

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# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Members**

A Higgs  
J King  
L Martin  
P Smith  
R Henderson

### **Trustees**

G Tapsell  
D Pavitt  
C Pumfrey (Resigned 12 December 2021)  
P Melville  
V Northhall  
J King (Chair of the Trustees)  
S Munday (Accounting Officer)  
R Moore  
C Franceschi (Resigned 26 March 2021)  
H McClenaghan (Appointed 13 July 2021)  
C Stowers (Appointed 30 September 2021)

### **Senior management team**

- Chief Executive Officer	S J Munday
- Headteacher Marshalls Park Academy	N Frost
- Executive Headteacher Deneholm Primary School, Chadwell St Mary Primary School & Stifford Clays Primary School	C Pumfrey
- Headteacher William Edwards School & Orsett Heath Academy	S Bell
- HR Director	S Ball
- Chief Operating Officer	P Melville

### **Company secretary**

P Melville

### **Company registration number**

07693309 (England and Wales)

### **Registered office**

Stifford Clays Road  
Grays  
Essex  
RM16 3NJ  
United Kingdom

### **Academies operated**

Chadwell St Mary Primary School  
Deneholm Primary School  
Marshalls Park Academy  
Stifford Clays Primary School  
William Edwards School  
Orsett Heath Academy

### **Location**

Grays  
Grays  
Romford  
Grays  
Grays  
Grays

### **Headteacher**

C Pumfrey  
C Pumfrey  
N Frost  
C Pumfrey  
S Bell  
S Bell

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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**Independent auditor** Azets Audit Services  
1 Nelson Street  
Southend-On-Sea  
Essex  
SS1 1EG  
United Kingdom

**Bankers** Lloyds Bank PLC  
34 High Street  
Grays  
Essex  
RM17 6LX  
United Kingdom

**Solicitors** T A Capron & Co  
88 Orsett Road  
Grays  
Essex  
RM17 5EJ  
United Kingdom

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 3 primary schools and 3 secondary academies within the Thurrock & Havering local authority areas. The Academies have a combined pupil capacity of 4,010 and had a roll of 3,984 in the 2021 census, including nurseries.

#### **Principal activities**

The Principal activity of the Trust is 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 academies offering a broad and balanced curriculum.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Charitable Company includes the following Academies:

- Chadwell St Mary Primary School, converted and joined the Trust on 1 September 2016
- Deneholm Primary School, converted on 1 April 2015
- Marshalls Park Academy, converted and joined the Trust on 1 April 2016
- Stifford Clays Primary School, converted on 1 April 2015
- William Edwards School, converted on 1 August 2011
- Orsett Heath Academy, new Free School opened on 1 September 2020

The trustees of South West Essex Community Education Trust Limited are also the directors of the charitable company for the purposes of company law. The terms Trustee and Director are interchangeable. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance, HR & Audit Committee. Throughout this report the Board of Trustees is referred to as the Trust Board. Each Academy has appointed Local Schools Advisory Board (LSAB) who have few delegated responsibilities.

##### 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.

##### Method of recruitment and appointment or election of trustees

The arrangements are as set out in the Articles and Funding Agreement.

The Members have appointed by ordinary resolution six Trustees including the Chief Executive Officer. The Trustees have appointed four Trustees making a total of ten Trustees.

Trustees are appointed for a fixed term of four years. The Chief Executive Officer (CEO) and Chief Financial Officer are ex officio members of the Trust Board. Trustees are appointed to office by recommendation to the Members from the Trust Board or appointed by the Trust Board if the Trustees believe a particular skill is required and to meet the business needs of the Trust. The Trust reviews its composition and skills annually.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### Policies and procedures adopted for the induction and training of trustees

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. Trustees and Governors are required to attend induction training and regular ongoing training. To this end the Trust has links with training providers such as the Governance Support Team at the Local Authority, the National Governance Association and in-house training is provided where necessary. New governors receive a tour of the Trust's academies and are provided with key documents necessary for their role.

### Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Trust Board, meets on at least four occasions per year and its subcommittee Finance, HR & Audit Committee meet at least another four times per year. As the Trust moves into its fifth year as a multi academy trust, additional meetings have been put in place to address any emerging issues or to ensure that recommendations are considered and decisions are made in a timely fashion.

The Trust Board is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual and long-term three-year plan, as well as short- and long-term budget management and monitoring. The Trust, by the use of those budgets make major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Trust Board also considers the wider implications of changes in the structure of individual schools, redundancy and rationalising staff across schools where it is deemed necessary.

The Trust's CEO is the Accounting Officer.

### Arrangements for setting pay and remuneration of key management personnel

The Trust sets pay and remuneration of key management personnel using the pay scales published by the Local Authority and a bespoke pay scale for the Chief Executive Officer and Chief Operating Officer. All pay and remuneration is linked to performance management. Arrangements are in place to review pay and the decisions about pay are made through the normal means, that being the Finance, HR & Audit committee.

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies. At all times, equality across the Trust is considered.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee of the Trust Board and ratified by the Trust Board.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

##### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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#### Engagement with employees

The Trust engages with its employees continuously and in a number of ways to suit their different working patterns. This includes regular Trust leadership, Headteacher and line manager briefings, a minimum of five staff training days each academic year and a termly staff newsletter. We have recently undertaken a whole-staff survey and respond to issues raised. We actively promote good relations with our recognised trade unions and meet with regional representatives on a termly basis to discuss issues of mutual interest. Headteachers engage regularly with school-based trade union representatives.

The Trust seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their obligations under the Equality Act 2010. Our policies and procedures fully support those with disabilities. We encourage and support a wide diversity of applicants at the recruitment stage and all successful candidates undergo a health screening process to objectively advise line managers on workplace adjustments. For those colleagues with existing disabilities or those who become disabled during their time with the partnership, we work with them to make reasonable adjustments to working practices and/or environment in order to keep the employee safe, and effective. This includes support and training to line managers and colleagues to better understand the needs of those with disabilities. We endeavour to ensure that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Engagement with suppliers, customers and others in a business relationship with the academy trust

The Trust recognises that as a public service educational provider it needs to engage with its external stakeholders, which include suppliers, service providers and most importantly its parents, children and wider communities, in strict accordance with the Seven Principles of Public Life.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Trust Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook. Where interests have been identified, these are communicated to all relevant staff to ensure transparency and adherence to the Academies Financial Handbook.

Details of related party transactions which took place in the year are disclosed in the notes to the financial statements.

The Trust does not have a formal sponsor.

### **Objectives and activities**

#### Objects and aims

The principal object and activity of the Trust is the provision of education for pupils of various ages and abilities.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Children, Schools and Families. The Scheme of Government specifies, amongst other things, the basis for admitting students to the School, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

#### Objectives, strategies and activities

The main objectives of the School during the year ended 31 August 2021 are summarised below:-

- to ensure that every pupil enjoys the same high quality education in terms of resourcing, teaching and care;
- to raise the standard of educational achievement of all pupils
- to improve the effectiveness of the schools within the Multi-Academy Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The Trust's main strategy encompasses providing:

- teaching and learning opportunities for all students to attain appropriate academic qualifications;
- an effective pastoral support programme for families and students who require additional help
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners for work experience;
- a programme of sporting, performing arts and after school leisure activities for all students;
- a system of after school clubs to allow students to explore areas of personal interest;
- a careers advisory service to help students obtain employment or move on to higher education.



# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

The admissions policy for each school can be found on the schools website, as shown below:

William Edwards School: <https://willamedwards.org.uk/admissions/>

Marshall's Park Academy: <http://marshallspark.org.uk/admissions/>

Deneholm Primary School: <http://www.deneholmprimaryschool.co.uk/Admissions>

Chadwell St Mary Primary School: <http://www.chadwellstmaryprimary.co.uk/admissions-to-our-school/>

Stifford Clays Primary School: <http://www.stiffordclaysprimary.thurrock.sch.uk/about-us/admissions-arrangements>

Orsett Heath Academy: <http://www.orsettheathacademy.org.uk/admissions-and-appeals>

#### **Strategic report**

##### **Achievements and performance**

With SATs and GCSE exams cancelled, the Trust established robust assessment processes to ensure that all pupils in year 6 and 11 have secure pathways to the next stage of their education.

#### Key performance indicators

Five SWECET schools are graded Good by Ofsted with William Edwards School currently graded RI but expected to secure a good judgement at the next inspection. Orsett Heath Academy will not be inspected by Ofsted until its third year of operation but is expected to secure a good first judgment. All DfE visits to date have returned positive outcomes.

<b>School</b>	<b>Phase</b>	<b>Current Ofsted</b>	<b>Inspection Date</b>
Chadwell St Mary Primary School	Primary	Good	June 2019
Deneholm Primary School	Primary	Good	April 2018
Marshall's Park Academy	Secondary	Good	March 2020
Orsett Heath Academy	Secondary	-	Not yet inspected by Ofsted
Stifford Clays Primary School	Primary	Good	November 2019
William Edwards School	Secondary	RI	July 2019

The Trust has continued to support and closely monitor the performance of all our schools via Trust standards review visits. The picture is very positive with attendance levels above national average in all 6 Trust settings and effective use of limited catch up funds to support educational recovery post pandemic.

Whilst the challenges are significant, all our schools are positioned well in terms of resourcing and capacity, including a full complement of teaching staff, to support all pupils, including the most vulnerable to progress at the fastest rate possible.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Impact of COVID-19**

The Academy Trust has responded fully and appropriately following the Government's updated published advice and guidance relating to Covid-19. All schools remained open to keyworker families and targeted year groups throughout the entire pandemic including during school holidays during the initial national lockdown in March 2020.

Comprehensive risk assessments have been in place throughout including enhanced cleaning, ventilation, use of bubbles and changes to the environment to ensure social distancing of staff and students. Our schools all provided much needed support to families most affected by the pandemic by providing free school meals and vouchers as necessary.

The Trust received a one-day inspection by the Health and Safety Executive in October 2020, which included the review of risk assessments and the various processes in place. The inspector spent time observing a variety of areas, scrutinised documentation and held meetings with a number of colleagues.

No requirements or verbal advice was given as the inspector felt all areas of the guidance has been followed and adequate control measures were in place.

During this time, the Trust also supported suppliers and partners who were set to access public funds, with most works continuing as planned. The Trust supported the catering service whilst catering income vanished overnight and has since made a claim to the Department for Education, although it is unclear at this stage, whether this will be met by Government.

We were pleased that we were able to complete the new interim building for Orsett Heath Academy and open to a further 120 pupils as planned for September 2021. This was an enormous challenge and fantastic team effort.

### **Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Protecting the success of the academy trust**

As directors of the charitable company, the Trustees have considered the interests of the Trust and its stakeholders in decision making. Trustees are highly cognisant of their role and the role of the schools in their communities as agents of transformation.

Trustees receive feedback from regular formal and informal stakeholder surveys. Where appropriate to do so, stakeholders including community groups and unions are consulted on specific policy decisions prior to their approval. For example, a consultation was undertaken regarding the risk assessments on re-opening of the schools.

The Trust Board is robust in its commitment to its own code of conduct and that of its staff. It is aware of the potential for conflicts of interest and puts in place mechanisms to counter these where they apply. The Trustees place a high premium on ethical practice, and making decisions that are right for the communities and children they serve. During the year, this included ensuring appropriate due diligence was conducted around trust capacity before agreeing to admit new schools to the trust, and overseeing the development of the central team structure. In the coming academic year, the Board is supporting implementation of the ethical leadership programme across the Trust.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **Financial review**

The Trust has performed well and is secure. We assess our going concern status as positive and have financial plans for the forthcoming three years. The principle risks and uncertainties the Trust faces is the lack of clarity in long term finance and the changing level of Government finance, in these challenging times. Principal funding sources of the Trust are the Government, though supported by other Government grants and trading activity.

We mitigate these as much as we can by developing prudent budgets including a range of scenarios for greater or less income. The Trust is financially robust.

In addition, the challenges the Trust faces are the cost of staffing and the additional on-costs associated with these. The Trust is aware of the financial pressures though is reliant on Government funding and also its own prudent management in staffing its academies and targeting expense where it is most needed.

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities (SORP 2019)', such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Trust has spent less this year due to school closures and the effective use of staff working across site, less supply staff. The capital programme was not as extensive as in the past though will return to higher levels of expenditure in the coming years.

During the year ended 31 August 2021, total expenditure of £23,073k (2020: £21,044k) was met by recurrent grant funding from the ESFA together with other incoming resources. The deficit of expenditure over income for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £274k (2020: £55k).

The Trust has a strong financial backbone, as demonstrated by the balance sheet. The Trust has reserves and has plans for their use, whilst maintaining reserves to invest in longer term projects and to cater for difficult times.

At 31 August 2021 the net book value of fixed assets was £44,008k (2020: £42,995k). Movements in tangible fixed assets are shown in the notes to the financial statements.

The Essex County Council Pension Fund, in which the Trust participates, showed a deficit of £12,233k (2020: £10,368k) at 31 August 2021.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Reserves policy

Academies must monitor cash flow and all bank account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.

The Trust requires a total reserve of at least £250k funding (per academy) at any time. The Trust should therefore aim that sufficient funds are held in reserve to meet needs.

The Trust must consider annually whether an academy's budget position is viable and meets the above requirements for maintaining reserves. Reserves may be built up for particular projects and this must be explained when and if this occurs.

If agreed by the Trust Finance, HR and Audit Committee, then the Chief Financial Officer will identify funds surplus to immediate cash requirements and transfer to an account bearing a higher interest rate.

The Trust may also re-allocate school funds surplus to the agreed reserves per academy to other academies should the case be made. This would normally be for strategic educational need, but also where schools face financial difficulties.

Periodically (at least annually) review interest rates and compare with other investment opportunities. The Trust's current policy is to only invest funds in risk free and immediately accessible deposit accounts.

The School's current level of free reserves is £2,876k (2020: £2,551k) (total funds less the amount held in fixed assets and restricted funds).

The School held fund balances at 31 August 2021 of £35,745k (2020: £35,645k) comprising £32,869k (2020: £33,094k) of restricted funds and £2,876k (2020: £2,551k) of unrestricted general funds. Of the restricted funds, £44,008k (2020: £42,995k) is represented by tangible fixed assets, £316k (2020: £nil) of unspent capital funding, £778k (2020: £467k) by unspent revenue grants.

The Pension reserve which is considered part of restricted funds was £12,233k (2020: £10,368k) in deficit.

### Investment policy

Under the Memorandum and Articles of Association, the Trust has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis. The Trust is currently assessing investment opportunities.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### Principal risks and uncertainties

As Trustees, we acknowledge we have overall responsibility for ensuring that the South West Essex Community Education Trust Limited has effective and appropriate systems of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- the Trust is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- the proper records are maintained and financial information used within the academies in the Multi-Academy Trust or for publication is reliable;
- the Trust complies with relevant laws and regulations.

The 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 included the development of:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body, Trust Finance, HR and Audit Committee and the Board of Trustees;
- regular reviews by the Trust Finance, HR and Audit Committee 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 Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and educational visits) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The directors have put in place a reserve policy that has ring-fenced £1m as a cushion against reduced funding and cashflow shortfalls in future. A review of governance is currently underway so as to ensure a robust governance structure that will help implement the five year plans of the academy trust. There has been a review of leadership and management to address Key Management succession plans. Where significant financial risk still remains they have ensured they have adequate insurance cover through the insurance and other covers. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal risks and uncertainties that the Trust faces are:

- Falling pupil numbers
- Other schools/academies with similar objectives and little scope for differentiation competing for new pupils
- Key person loss/succession
- School may receive an unfavourable Ofsted report
- Parents/other stakeholders may consider that the School does not provide a valuable/high quality service
- Risk that an uncontrollable event may have on the School for instance a fire or flood.

A risk also arises in relation to the defined benefit pension scheme (LGPS), due to the fact that there is a deficit of £12,233k (2020: £10,368k)

#### Financial and risk management objectives and policies

##### **Streamlined energy and carbon reporting**

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

<i>Energy consumption</i>	<b>kWh</b>	<b>kWh</b>
Aggregate of energy consumption in the year		
- Gas combustion	3,217,699	
- Fuel consumed for transport	45,656	
- Electricity purchased	1,316,753	
		<u>4,580,108</u>
<i>Emissions of CO2 equivalent</i>	<b>metric tonnes</b>	<b>metric tonnes</b>
Scope 1 - direct emissions		
- Gas combustion	589.00	
- Fuel consumed for owned transport	11.00	
		<u>600.00</u>
Scope 2 - indirect emissions		
- Electricity purchased		280.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust		1.00
		<u>881.00</u>
Total gross emissions		<u>881.00</u>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil		<u>0.25</u>

### *Quantification and reporting methodology*

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

### *Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

### *Measures taken to improve energy efficiency*

The management of resources and the need to embed sustainability is an important issue for the Trust and the following actions related to reducing energy use were implemented within the current reporting period.

As expected, energy consumption was slightly higher this year due to schools needing to have windows open for ventilation as part of our COVID-19 response. Due to COVID-19 the previous year's consumption was below average as all schools had reduced occupancy in April and May 2020.

A further result of health precautions has been the greater implementation of video conferencing for staff and board meetings, reducing the need for travel to and between sites. The emission saving resulting from these activities has not been quantified, but this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.

Outside of the COVID-19 response, actions this year have been limited to the replacement of hall and corridor lighting at Stifford Clays Primary School.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Plans for future periods**

The trust is committed to reducing longer term emissions and this year has seen the implementation of energy efficiency measures:

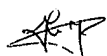
- LED Lighting upgrades to William Edwards and Stifford Clays Primary School
- Increased use of video conferencing during this year because of COVID-19, reducing business travel as a result
- Planned and preventative maintenance of boilers and other heating plant to ensure maximum operating efficiency
- Regular engagement with staff and pupils to highlight actions they can take to reduce wasteful energy use

### **Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2021 and signed on its behalf by:



J King

**Chair of the Trustees**

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Scope of responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that South West Essex Community Education Trust Limited 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 trustees has delegated the day-to-day responsibility to the Headteacher, 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 West Essex Community Education Trust Limited and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
G Tapsell	2	4
D Pavitt	4	4
C Pumfrey (Resigned 12 December 2021)	4	4
P Melville	4	4
V Northhall	4	4
J King (Chair of the Trustees)	4	4
S Munday (Accounting Officer)	4	4
R Moore	3	4
C Franceschi (Resigned 26 March 2021)	3	4
H McClenaghan (Appointed 13 July 2021)	1	1
C Stowers (Appointed 30 September 2021)	0	0

- There have been no changes to the composition in the governing body apart from changes in Trusteeship where two Trustees have joined.
- The work of Trustees has been to focus on outcomes, financial security and holding the executive to account. It does this through regular board meetings, individual meetings and audit functions
- The Board received data and information/reports from its executive team and also through reports of independent professionals that challenge the work of the Trust.

As it is now two years since the Trust changed its governance arrangements, the Trust will be undertaking a review of governance in the next 12 months.

The Trust has one main committee that meets often. There is a continual dialogue between the committee and the main Board and any issues or concerns are discussed as and when required.

The Finance, HR and Audit committee is a sub-committee of the main board of trustees. Its purpose is to:

- To act in accordance with the Education (School Government) Regulations
- To carrying out delegated functions to the Trust Development Plan
- To maintain expenditure within the limits set by the Trust Budget Plan
- To advise the Trust Board of decisions taken within the powers delegated
- Sets a programme of internal control scrutiny by independent auditors to test the controls in place. This programme is designed following auditor feedback, known risks and national trends.



# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
D Pavitt	5	5
P Melville	5	5
S Munday (Accounting Officer)	5	5
R Moore	5	5
C Stowers (Appointed 30 September 2021)	0	0

#### **Review of value for money**

As Accounting Officer, the CEO has responsibility for ensuring that the academy 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 MAT's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the MAT has delivered improved value for money during the year as follows:

#### **Educational Outcomes**

Across the South West Essex Community Education Trust the core aim is to achieve value for money whilst ensuring positive outcomes for the young people in our community. The Trust continues to improve the outcomes of pupils by:

- Ensuring improved results for pupils across the Trust from KS1 – KS4.
- Supporting and challenging the schools in the Trust to ensure that pupil outcomes remain at the heart of everything we do: for example, reviewing the curriculum provision and access for all pupils. Sharing best practice across the Trust by teachers working across schools and sharing resources and their time.

#### **Business Planning**

The Trust holds half termly meetings with the Headteachers of each academy and regular communication, to ensure that any issues that may arise are dealt with quickly. The Trust continues to improve the planning of the Business by:

- Sharing of best practice: for example, through regular communication and meetings the preparation for GDPR was completed with one secondary academy producing a template used across the trust with regards to GDPR requirements
- Consolidation of Reports: for example, central completion all financial reports, saving time and resources within the academies.
- Continue Negotiation of Contracts: for example, centralising contracts across the Trust, in particular those held with reprographics, catering and software companies, resulting in cost savings for all academies.
- Shared Training: All training is organised centrally and co-ordinated to provide schools with easy to access and high quality training.
- The Trust has a clear scheme of delegation and authorisation approved by the Board and this was followed throughout the year.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Financial Governance/Management**

The Trust's financial regulations provide effective control without excessive bureaucracy overheads. Value for money is enhanced through the continuous improvement of day-to-day financial transactions with support offered by the Chief Financial Officer.

- Value for Money is sought by all budget holders: For example, value from external suppliers is ensured by the fact that for any order over £2000 the budget holder must demonstrate best value; providing supporting evidence of having sought more than one quotation. For any amount between £2,001 and up to the European Union Threshold, the budget holder must obtain more written quotations, in writing, and attach them to the purchase order.
- The National pay change for associate staff was implemented in April salaries and following information from Essex pension services adjustments have also been made. Rising on-costs continue to be a concern to academies and all vacancies are carefully analysed to ensure only essential replacements are made.

### **Organisational Learning**

The Trust operates as a community of schools sharing expertise through regular meeting with the Headteachers. A continued holistic approach to value for money will ensure that the funds provided to the Trust will continue to be used effectively and efficiently in developing our educational objectives.

- Investment in people: for example, this continues to lead to opportunities for expertise to be shared across the Trust with regards to maintenance, personnel, finance and administration as well as teaching and learning.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South West Essex Community Education Trust Limited for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees 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 trustees 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 period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **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 trustees;
- regular reviews by the Finance, HR and Audit committee 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.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Rickard Luckin 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:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliation
- Testing of compliance with the financial regulations

On a quarterly basis, the auditor reports to the board of trustees, through the Finance, HR and Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

The Trust confirms the internal auditor has delivered their schedule of work as planned, and no material control issues arose as a result of the internal auditor's work.


### **Review of effectiveness**

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

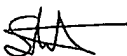
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, HR & Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 14 December 2021 and signed on its behalf by:



**J King**  
**Chair of the Trustees**



**S Munday**  
**Accounting Officer**

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

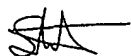
***FOR THE YEAR ENDED 31 AUGUST 2021***

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As accounting officer of South West Essex Community Education Trust Limited, I have considered my responsibility to notify the academy trust board of trustees and the Education and 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 2020.

I confirm that I and the academy trust's board of trustees 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 2020.

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 trustees and ESFA.



S Munday  
**Accounting Officer**

14 December 2021

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The trustees (who are also the directors of South West Essex Community Education Trust Limited for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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 trustees 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 14 December 2021 and signed on its behalf by:



J King  
Chair of the Trustees

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Opinion**

We have audited the accounts of South West Essex Community Education Trust Limited for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts 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.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Opinions 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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the 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 trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees 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 trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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



# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

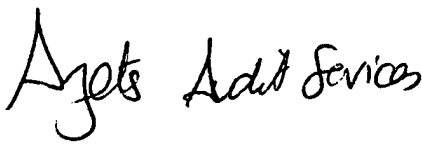
## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Use of our report**

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Catherine Cooper (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services**

16 December 2021  
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**Chartered Accountants  
Statutory Auditor**

1 Nelson Street  
Southend-On-Sea  
Essex  
United Kingdom  
SS1 1EG

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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In accordance with the terms of our engagement letter dated 16 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South West Essex Community Education Trust Limited during the period 1 September 2020 to 31 August 2021 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 West Essex Community Education Trust Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the South West Essex Community Education Trust Limited and 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 West Essex Community Education Trust Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of South West Essex Community Education Trust Limited's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of South West Essex Community Education Trust Limited's funding agreement with the Secretary of State for Education dated 29 January 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Azets Audit Services*

### **Reporting Accountant**

Azets Audit Services  
1 Nelson Street  
Southend-On-Sea  
Essex  
SS1 1EG  
United Kingdom

Dated: 16 December 2021  
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# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	173	-	2,262	2,435
Charitable activities:					
- Funding for educational operations	4	-	21,006	-	21,006
Other trading activities	5	617	-	-	617
Investments	6	-	-	-	-
<b>Total</b>		<u>790</u>	<u>21,006</u>	<u>2,262</u>	<u>24,058</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	465	21,605	1,003	23,073
<b>Total</b>	7	<u>465</u>	<u>21,605</u>	<u>1,003</u>	<u>23,073</u>
<b>Net income/(expenditure)</b>		325	(599)	1,259	985
Transfers between funds	18	-	(70)	70	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	20	-	(885)	-	(885)
<b>Net movement in funds</b>		325	(1,554)	1,329	100
<b>Reconciliation of funds</b>					
Total funds brought forward		2,551	(9,901)	42,995	35,645
Total funds carried forward		<u>2,876</u>	<u>(11,455)</u>	<u>44,324</u>	<u>35,745</u>

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2021**

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds	Restricted funds:		Total
		£	General	Fixed asset	2020
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	499	-	3,442	3,941
Charitable activities:					
- Funding for educational operations	4	-	19,091	-	19,091
Other trading activities	5	585	-	-	585
Investments	6	2	-	-	2
<b>Total</b>		<u>1,086</u>	<u>19,091</u>	<u>3,442</u>	<u>23,619</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	654	19,578	812	21,044
<b>Total</b>	7	<u>654</u>	<u>19,578</u>	<u>812</u>	<u>21,044</u>
<b>Net income/(expenditure)</b>		432	(487)	2,630	2,575
Transfers between funds	18	-	(44)	44	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	20	-	(313)	-	(313)
<b>Net movement in funds</b>		432	(844)	2,674	2,262
<b>Reconciliation of funds</b>					
Total funds brought forward		2,119	(9,057)	40,321	33,383
Total funds carried forward		<u>2,551</u>	<u>(9,901)</u>	<u>42,995</u>	<u>35,645</u>

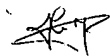
# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14		44,008		42,995
<b>Current assets</b>					
Debtors	15	771		1,310	
Cash at bank and in hand		4,932		3,289	
		5,703		4,599	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(1,733)		(1,581)	
<b>Net current assets</b>			3,970		3,018
<b>Net assets excluding pension liability</b>			47,978		46,013
Defined benefit pension scheme liability	20		(12,233)		(10,368)
<b>Total net assets</b>			35,745		35,645
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			44,324		42,995
- Restricted income funds			778		467
- Pension reserve			(12,233)		(10,368)
<b>Total restricted funds</b>			32,869		33,094
<b>Unrestricted income funds</b>	18		2,876		2,551
<b>Total funds</b>			35,745		35,645

The accounts on pages 26 to 53 were approved by the trustees and authorised for issue on 14 December 2021 and are signed on their behalf by:



J King  
Chair of the Trustees

Company Number 07693309

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		1,397		544
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		-		2	
Capital grants from DfE Group		2,262		3,442	
Purchase of tangible fixed assets		(2,016)		(3,486)	
<b>Net cash provided by/(used in) investing activities</b>			<u>246</u>		<u>(42)</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>			1,643		502
Cash and cash equivalents at beginning of the year			<u>3,289</u>		<u>2,787</u>
<b>Cash and cash equivalents at end of the year</b>			<u><u>4,932</u></u>		<u><u>3,289</u></u>

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **1 Accounting policies**

South West Essex Community Education Trust Limited is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

##### **1.1 Basis of preparation**

The accounts 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### **1.2 Going concern**

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

##### **1.3 Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

###### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.



# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### **1 Accounting policies**

**(Continued)**

#### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

### **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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This 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.

#### Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### **1 Accounting policies**

**(Continued)**

#### **1.5 Tangible fixed assets and depreciation**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The property at William Edwards School has been based on an external valuation carried out by Hilbery Chaplin in 2011 and the properties held at all other schools have been included at the valuation provided by the ESFA when completing their desktop valuation.

The properties at William Edwards School and Marshall Park Academy are held at freehold. All the other academies within the multi academy trust have entered into a 125 year lease on their land and buildings with their local authority.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold land and buildings	between 2.5% and 10% straight line (land is not depreciated)
Leasehold land and buildings	between 2.5% and 10% straight line (land is not depreciated)
Assets under construction	Not depreciated until in use
Fixtures, fittings & equipment	between 20% and 25% straight line
Motor vehicles	10% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

#### **1.6 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

#### **1.7 Leased assets**

Rentals under operating leases are charged on a straight-line basis over the lease term.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### **1 Accounting policies**

**(Continued)**

#### **1.8 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. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### **1.9 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.

#### **1.10 Pensions benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 net income or expenditure 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 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.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### **1 Accounting policies**

**(Continued)**

#### **1.11 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 trustees.

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 Education and Skills Funding Agency.

### **2 Critical accounting estimates and areas of judgement**

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

#### Critical accounting estimates and assumptions

The 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.

#### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property and note 1.5 for the useful economic lives for each class of assets.

#### LGPS

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

There are no critical areas of judgement.

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Trips	155	-	155	349
Capital grants	-	2,262	2,262	3,442
Other donations	18	-	18	150
	<u>173</u>	<u>2,262</u>	<u>2,435</u>	<u>3,941</u>

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	17,404	17,404	15,951
Other DfE / ESFA grants:				
UFSM	-	146	146	147
Pupil premium	-	858	858	802
Start up grants	-	185	185	-
ITT bursaries grants	-	40	40	40
Teachers pension grants	-	677	677	642
Teachers pay grants	-	240	240	227
PE and sports premium	-	59	59	59
Rates	-	50	50	41
Others	-	147	147	335
	<u>-</u>	<u>19,806</u>	<u>19,806</u>	<u>18,244</u>
<b>Other government grants</b>				
Local authority grants	-	830	830	750
	<u>-</u>	<u>830</u>	<u>830</u>	<u>750</u>
<b>Exceptional government funding</b>				
Coronavirus exceptional support	-	-	-	97
Other Coronavirus funding	-	370	370	-
	<u>-</u>	<u>370</u>	<u>370</u>	<u>97</u>
<b>Total funding</b>	<u>-</u>	<u>21,006</u>	<u>21,006</u>	<u>19,091</u>

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 4 Funding for the academy trust's educational operations

(Continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy received £294k of funding for catch-up premium and costs incurred in respect of this funding totalled £294k, no balance is carried forward.

The academy also received £76k for mass testing.

Last year the funding received for coronavirus exceptional support covered £97,200 of premises and cleaning costs.

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Catering income	256	-	256	245
Other income	361	-	361	340
	<u>617</u>	<u>-</u>	<u>617</u>	<u>585</u>

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	-	-	-	2
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>

### 7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2021 £	Total 2020 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	14,551	-	1,180	15,731	14,616
- Allocated support costs	3,577	2,274	1,491	7,342	6,428
	<u>18,128</u>	<u>2,274</u>	<u>2,671</u>	<u>23,073</u>	<u>21,044</u>

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

### **7 Expenditure (Continued)**

<b>Net income/(expenditure) for the year includes:</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable to auditor for:		
- Audit	22	19
- Other services	4	6
Operating lease rentals	36	36
Depreciation of tangible fixed assets	1,003	812
Net interest on defined benefit pension liability	169	171
	<u>          </u>	<u>          </u>

### **8 Central services**

The academy trust has provided the following central services to its academies during the year:

#### **Central Finance Team**

- Marketing items
- PSF licences
- Broadband & Leaseline
- Microsoft licences
- Training & development
- Capita Sims Licences
- Orovia BPS
- Antivirus package
- Audit costs
- Various subscriptions including GDPR
- Health & safety
- SWECET website

#### **Central HR team**

- Payroll services
- Wellbeing service

#### **Chief Executive Officer & Primary Executive Headteacher**

- Quality assurance

The academy trust charges for these services on the following basis:

Central costs are recharged between 5% and 7% of GAG funding, with amendments made allowing for local school budgetary constraints.

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Central services

(Continued)

The amounts charged during the year were as follows:

	2021 £	2020 £
Chadwell St Mary Primary School	59	54
Deneholm Primary School	91	82
Marshalls Park Academy	343	316
Stifford Clays Primary School	142	77
William Edwards School	550	335
Orsett Heath Academy	179	-
	<u>1,364</u>	<u>864</u>

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Direct costs</b>				
Educational operations	248	15,483	15,731	14,616
<b>Support costs</b>				
Educational operations	217	7,125	7,342	6,428
	<u>465</u>	<u>22,608</u>	<u>23,073</u>	<u>21,044</u>



# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Charitable activities

(Continued)

	2021 £	2020 £
<b>Analysis of support costs</b>		
Support staff costs	3,577	3,176
Depreciation	1,003	812
Technology costs	117	162
Premises costs	1,271	1,013
Legal costs	5	8
Other support costs	1,337	1,227
Governance costs	32	30
	<u>7,342</u>	<u>6,428</u>

### 10 Subsidiary Undertaking

The Charity has a wholly owned subsidiary, SWECET Trading Limited, incorporated in the UK. The company number is 10384586 and the Trust owns 100% of its 100 Ordinary share capital. The principal activity of the company is to run lettings on behalf of the Trust. The Trust has not prepared consolidated accounts as its inclusion is not material for the purposes of giving a true and fair view in the context of the group.

The Company did not pay a dividend to the academy during the year (2020 - £89,262).

#### SWECET TRADING LIMITED

	2021 £	2020 £
Revenue	-	3,158
Gross profit	-	3,158
Administrative expenses	(575)	(371)
Profit for the year	<u>575</u>	<u>2,787</u>

The assets and liabilities of SWECET Trading Limited were:

Current assets	5,464	5,887
Creditors	(152)	-
Net Assets	<u>5,312</u>	<u>5,887</u>
Represented by:		
Share capital	100	100
Reserves	5,212	5,787
	<u>5,312</u>	<u>5,887</u>

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

### **11 Staff**

#### **Staff costs**

Staff costs during the year were:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	12,744	11,437
Social security costs	1,325	1,128
Pension costs	3,649	3,113
Staff costs - employees	17,718	15,678
Agency staff costs	388	860
Staff restructuring costs	22	16
	18,128	16,554
Staff development and other staff costs	178	176
Total staff expenditure	18,306	16,730

Staff restructuring costs comprise:

Redundancy payments	22	-
Severance payments	-	16
	22	16

#### **Staff numbers**

The average number of persons employed by the academy trust during the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Teachers	225	202
Administration and support	221	241
Management	6	6
	452	449

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

### **11. Staff**

**(Continued)**

#### **Higher paid staff**

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

	2021 Number	2020 Number
£60,001 - £70,000	18	7
£70,001 - £80,000	6	4
£80,001 - £90,000	1	1
£90,001 - £100,000	1	3
£100,001 - £110,000	2	-
£110,001 - £120,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>      </u>	<u>      </u>

Changes in the number of staff in 2021 include the outsourcing of cleaning colleagues (19 staff) and the increase in teachers (22) for Orsett Heath Academy and Marshalls Park Academy as they grow.

#### **Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £842k (2020: £764k).

### **12. Trustees' remuneration and expenses**

The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments. The Governors who received remuneration are:

Mr S Munday (CEO)

Remuneration £145,000 - £150,000 (2020: £135,000 - £140,000)

Employers pension contributions £30,000 - £35,000 (2020: £30,000 - £35,000)

Ms C Pumfrey (Executive Primary Headteacher)

Remuneration £110,000 - £115,000 (2020: £95,000 - £100,000)

Employers pension contributions £25,000 - £30,000 (2020: £20,000 - £25,000)

Mr P Melville (COO)

Remuneration £85,000 - £90,000 (2020: £80,000 - £85,000)

Employers pension contributions £nil (2020: £nil)

#### **Trustees' expenses**

During the period ended 31 August 2021, expenses totalling £357 were reimbursed to 1 Governor in relation to course travel costs and administrative supplies (2020: £nil).

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 13 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5M on any one claim and the cost is included in the total insurance and cannot be separated out.

#### 14 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Assets under constructio n	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2020	32,509	10,591	3,123	676	529	47,428
Transfer to land and buildings	4,254	-	(4,254)	-	-	-
Additions	551	-	1,131	319	15	2,016
	<u>37,314</u>	<u>10,591</u>	<u>-</u>	<u>995</u>	<u>544</u>	<u>49,444</u>
<b>Depreciation</b>						
At 1 September 2020	2,770	876	-	366	421	4,433
Charge for the year	471	306	-	176	50	1,003
	<u>3,241</u>	<u>1,182</u>	<u>-</u>	<u>542</u>	<u>471</u>	<u>5,436</u>
<b>Net book value</b>						
At 31 August 2021	<u>34,073</u>	<u>9,409</u>	<u>-</u>	<u>453</u>	<u>73</u>	<u>44,008</u>
At 31 August 2020	<u>29,739</u>	<u>9,715</u>	<u>3,123</u>	<u>310</u>	<u>108</u>	<u>42,995</u>

Included in land and buildings is an amount of £10,358k (2020 - £10,358k), for land which is not depreciated.

The additions on land and buildings relate to:

- CCTV works
- Renovation costs
- Toilet refurbishments
- Playground works
- School house improvements
- Water tower works
- Cricket pitch works
- Roof works

Assets under construction include temporary building works for Orsett Heath Academy and a new building at Marshalls Park Academy.

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Debtors

	2021 £	2020 £
Trade debtors	33	408
VAT recoverable	117	223
Other debtors	5	7
Prepayments and accrued income	616	672
	<u>771</u>	<u>1,310</u>

### 16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	137	-
Other taxation and social security	316	275
Other creditors	324	302
Accruals and deferred income	956	1,004
	<u>1,733</u>	<u>1,581</u>

### 17 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	<u>274</u>	<u>549</u>
Deferred income at 1 September 2020	549	335
Released from previous years	(549)	(335)
Resources deferred in the year	<u>274</u>	<u>549</u>
<b>Deferred income at 31 August 2021</b>	<u>274</u>	<u>549</u>

At the balance sheet date the Multi Academy Trust was holding funds for catering, music classes, nursery, Early Years funding, trips and Universal Infant free school meals in relation to 2021/22.

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	467	17,404	(17,023)	(70)	778
Start up grants	-	185	(185)	-	-
UIFSM	-	146	(146)	-	-
Pupil premium	-	858	(858)	-	-
Teachers pension grants	-	677	(677)	-	-
Teachers pay grants	-	240	(240)	-	-
PE and sports premium	-	59	(59)	-	-
Rates	-	50	(50)	-	-
Other DfE / ESFA grants	-	187	(187)	-	-
Other government grants	-	830	(830)	-	-
Covid funding	-	370	(370)	-	-
Pension reserve	(10,368)	-	(980)	(885)	(12,233)
	<u>(9,901)</u>	<u>21,006</u>	<u>(21,605)</u>	<u>(955)</u>	<u>(11,455)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	2,262	-	(1,946)	316
Fixed assets	42,995	-	(1,003)	2,016	44,008
	<u>42,995</u>	<u>2,262</u>	<u>(1,003)</u>	<u>70</u>	<u>44,324</u>
<b>Total restricted funds</b>	<u>33,094</u>	<u>23,268</u>	<u>(22,608)</u>	<u>(885)</u>	<u>32,869</u>
<b>Unrestricted funds</b>					
General funds	<u>2,551</u>	<u>790</u>	<u>(465)</u>	<u>-</u>	<u>2,876</u>
<b>Total funds</b>	<u>35,645</u>	<u>24,058</u>	<u>(23,073)</u>	<u>(885)</u>	<u>35,745</u>

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **18 Funds**

**(Continued)**

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Start Up Grants, Universal Infant Free School Meals, Pupil Premium, Teachers Pension Grants, Teachers Pay Grants, PE & Sports grant Rates: Income received from the ESFA as described.

Other DFE/ESFA grants: This includes the FSM supplementary grants, apprentice income and year 7 catch up grant.

Other government grants: This includes SEN funding, growth funding, additional pupil premium and other funding received from the Local Authority.

Covid funding: Amounts received from the ESFA for catch up and mass testing.

DFE/ESFA capital grants: This includes the devolved formula capital grant, CIF funding and other capital grants from the local authority.

The transfer of funds relate to the purchase of capital additions during the year.

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	218	15,951	(15,658)	(44)	467
UIFSM	-	147	(147)	-	-
Pupil premium	-	802	(802)	-	-
Teachers pension grants	-	641	(641)	-	-
Teachers pay grants	-	227	(227)	-	-
PE and sports premium	-	59	(59)	-	-
Rates	-	41	(41)	-	-
Other DfE / ESFA grants	-	473	(473)	-	-
Other government grants	-	750	(750)	-	-
Pension reserve	(9,275)	-	(780)	(313)	(10,368)
	<u>(9,057)</u>	<u>19,091</u>	<u>(19,578)</u>	<u>(357)</u>	<u>(9,901)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	3,442	-	(3,442)	-
Fixed assets	40,321	-	(812)	3,486	42,995
	<u>40,321</u>	<u>3,442</u>	<u>(812)</u>	<u>44</u>	<u>42,995</u>
<b>Total restricted funds</b>	<u>31,264</u>	<u>22,533</u>	<u>(20,390)</u>	<u>(313)</u>	<u>33,094</u>
<b>Unrestricted funds</b>					
General funds	2,119	1,086	(654)	-	2,551
	<u>2,119</u>	<u>1,086</u>	<u>(654)</u>	<u>-</u>	<u>2,551</u>
<b>Total funds</b>	<u>33,383</u>	<u>23,619</u>	<u>(21,044)</u>	<u>(313)</u>	<u>35,645</u>



# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Funds

(Continued)

#### Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Chadwell St Mary Primary School	1	1
Deneholm Primary School	1	1
Marshalls Park Academy	1	1
Stifford Clays Primary School	1	1
William Edwards School	1	1
Orsett Heath Academy	1	1
SWECET	3,648	3,013
	<u>3,654</u>	<u>3,018</u>
Total before fixed assets fund and pension reserve	3,654	3,018
Restricted fixed asset fund	44,324	42,995
Pension reserve	(12,233)	(10,368)
	<u>35,745</u>	<u>35,645</u>
Total funds	<u>35,745</u>	<u>35,645</u>

#### Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Chadwell St Mary Primary School	888	207	40	184	1,319	1,229
Deneholm Primary School	1,345	244	60	232	1,881	1,822
Marshalls Park Academy	4,403	841	381	807	6,432	5,845
Stifford Clays Primary School	2,224	481	108	377	3,190	3,165
William Edwards School	4,759	951	186	760	6,656	6,396
Orsett Heath Academy	497	74	54	179	804	-
SWECET	557	779	24	428	1,788	1,775
	<u>14,673</u>	<u>3,577</u>	<u>853</u>	<u>2,987</u>	<u>22,070</u>	<u>20,232</u>

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	44,008	44,008
Current assets	2,876	2,511	316	5,703
Creditors falling due within one year	-	(1,733)	-	(1,733)
Defined benefit pension liability	-	(12,233)	-	(12,233)
<b>Total net assets</b>	<b>2,876</b>	<b>(11,455)</b>	<b>44,324</b>	<b>35,745</b>
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	42,995	42,995
Current assets	4,599	-	-	4,599
Creditors falling due within one year	(2,048)	467	-	(1,581)
Defined benefit pension liability	-	(10,368)	-	(10,368)
<b>Total net assets</b>	<b>2,551</b>	<b>(9,901)</b>	<b>42,995</b>	<b>35,645</b>

### 20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £322k were payable to the schemes at 31 August 2021 (2020: £302k) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

### **20 Pension and similar obligations**

**(Continued)**

#### **Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,986k (2020: £1,251k).

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

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

#### **Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 26.4% for employers and 5.5 to 12.5% 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.

<b>Total contributions made</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Employer's contributions	862	779
Employees' contributions	205	187
	<hr/>	<hr/>
Total contributions	1,067	966
	<hr/>	<hr/>

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.84	3.2
Rate of increase for pensions in payment/inflation	2.88	2.25
Discount rate for scheme liabilities	1.67	1.6

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

	2021 Years	2020 Years
Retiring today		
- Males	21.63	21.8
- Females	23.67	23.8
Retiring in 20 years		
- Males	22.9	23
- Females	25.21	25.2

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021 £'000	2020 £'000
Discount rate - 0.1%	616	495
Salary increase + 0.1%	51	45
Pension rate increase +0.1%	552	447

### Defined benefit pension scheme net liability

	2021 £	2020 £
Scheme assets	11,951	9,013
Scheme obligations	(24,184)	(19,381)
Net liability	(12,233)	(10,368)

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Pension and similar obligations

(Continued)

#### The academy trust's share of the assets in the scheme

	2021 Fair value £	2020 Fair value £
Equities	7,296	5,182
Bonds	1,247	1,153
Gilts	227	284
Alternative assets	996	772
Property	1,072	896
Other assets	1,113	726
Total market value of assets	11,951	9,013

The actual return on scheme assets was £2,055,000 (2020: £531,000).

#### Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	1,675	1,380
Past service cost	-	8
Interest income	(150)	(148)
Interest cost	319	319
Benefit changes, curtailments and settlements gains or losses	(2)	-
Total operating charge	1,842	1,559

#### Changes in the present value of defined benefit obligations

	2021 £	2020 £
At 1 September 2020	19,381	17,019
Current service cost	1,675	1,380
Interest cost	319	319
Employee contributions	205	187
Actuarial loss	2,790	696
Benefits paid	(183)	(228)
Gains on curtailment	(2)	-
Past service cost	-	8
Effect of non-routine settlements and administration expenses	(1)	-
At 31 August 2021	24,184	19,381

# SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Pension and similar obligations

(Continued)

#### Changes in the fair value of the academy trust's share of scheme assets

	2021 £	2020 £
At 1 September 2020	9,013	7,744
Interest income	150	148
Actuarial gain	1,905	383
Employer contributions	862	779
Employee contributions	205	187
Benefits paid	(183)	(228)
Effect of non-routine settlements	(1)	-
At 31 August 2021	11,951	9,013

### 21 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	985	2,575
Adjusted for:		
Capital grants from DfE and other capital income	(2,262)	(3,442)
Investment income receivable	-	(2)
Defined benefit pension costs less contributions payable	811	609
Defined benefit pension scheme finance cost	169	171
Depreciation of tangible fixed assets	1,003	812
Decrease/(increase) in debtors	539	(767)
Increase in creditors	152	588
Net cash provided by operating activities	1,397	544

### 22 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	3,289	1,643	4,932

# **SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **23 Contingent liabilities**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State. Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As no such events have occurred during the year nor are likely to occur in the foreseeable future, the accounts do not contain any provision against contingent liabilities.

### **24 Long-term commitments, including operating leases**

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	36	36
Amounts due in two and five years	1	37
	<u>37</u>	<u>73</u>

### **25 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 the trust has an interest. All transactions involving such organisations are conducted in accordance with the trust's financial regulations and normal procurement procedures.

There were no related party transactions during the year to 31 August 2021 or 31 August 2020.

Mr R Henderson's spouse is employed by the Trust as a teacher. Mr D Pavitt's son and daughter-in-law are employed as teachers. All appointments were made in open competition and Mr Henderson and Mr Pavitt were not involved in the decision-making process regarding the appointments. The staff are paid within the normal salary scale for the roles they carry out and receive no special treatment as a result of their relationship to a Trustee.

### **26 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.