

Registrar's Copy

SEAX TRUST
(A company limited by guarantee)

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

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SEAX TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members	Mark Ross Anthony Cox (resigned 7 December 2016) Andrew Barton Andrew Hunter Ivor Moody John Revill (appointed 1 January 2017)
Trustees	Ann-Marie Briggs, Chair ^{2,4} Sally Davies OBE, Chief Executive & Accounting Officer ² David Cottrell, Vice Chair ^{1,4} Steven Hile (resigned 19 September 2017) Emma Paramor (resigned 1 January 2017) Angela Bradding (appointed 19 September 2016) ^{2,3} Lisa Christodoulides (appointed 19 September 2016, resigned 1 January 2017) Andrew Hunter ¹ Sally Lockyer (appointed 19 September 2016) ^{2,5} Michael Southgate ² Anthony Cox (appointed 7 December 2016) ¹ John Revill (resigned 1 January 2017) Roddy MacLeod (appointed 13 September 2017, resigned 6 November 2017) ¹ Steve Moore (appointed 13 September 2017) ² Sally Coode-Bate (appointed 13 September 2017) ^{2,6} ¹ Member of Resource and Audit Committee ² Member of Curriculum and Standards Committee ³ Local Academy Committee for Langham Oaks School ⁴ Local Academy Committee for Thriftwood School and College ⁵ Local Academy Committee for Grove House School ⁶ Local Academy Committee for Kingswode Hoe School
Company registered number	07747149
Company name	SEAX Trust
Principal and registered office	Thriftwood School Slades Lane Galleywood Chelmsford Essex CM2 8RW
Company secretary	Gillian Mackenzie
Chief Executive & Accounting Officer	Sally Davies OBE
Senior management team	Sally Davies OBE, Chief Executive Officer Elizabeth Smart, Deputy Principal and Partner Head of Thriftwood College Georgina Pryke, Partner Head of Thriftwood School Emma Paramor, Head of Langham Oaks School Lisa Christodoulides, Head of Grove House School Elizabeth Drake, Head of Kingswode Hoe School Jackie Harper, Chief Financial Officer

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

Advisers (continued)

Independent auditors MWS
Chartered Accountants
Registered Auditors
Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

Bankers Lloyds Bank LLP
77-78 High Street
Chelmsford
Essex
CM1 1DU

Solicitors Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

SEAX TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

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

Structure, governance and management

a. CONSTITUTION

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

The charitable company's Memorandum of Association dated 18 August 2011, and modified subsequently to enable the company to become a Multi Academy Trust, is the primary governing document of the academy trust.

The Trustees of SEAX Trust are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

The trustees have not provided indemnities in respect of any activity undertaken at The SEAX Trust.

Qualifying third party indemnity provisions (as defined in section 236 of the Companies Act 2006) were in force for the benefit of directors of the Company throughout the year and remain in force at the date of this report.

In accordance with normal commercial practice, the Academies have entered into the DfE Risk Protection Arrangement (RPA) to protect trustees and officers from claims arising from negligent acts, errors and omissions occurring whilst on the business of The Academy. The Arrangement has an unlimited liability subject to claims occurring after the signing of the Funding Agreement, that there is no other insurance policy in place, and to claims arising that a Member had prior knowledge of before opting to join the RPA.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

As a multi-academy trust, the trustees have developed a model of governance which includes Members recruited from the community, a Trustee Board of Directors with representation from the individual academies and external appointees to create a Trustee Board which is independent of the individual academies, but with representation from each academy to ensure that each academy within the Trust is involved in the overall decision making for the whole Trust. Governance of the individual academies has been devolved to Local Academy Committees (LACs), which are constituted as sub-committees of the Board. The trustees have set up procedures that include regular reviews of the mix of skills that should be available to the Trustee Board and the LACs. New trustees and members of LACs will then be sought with these skills, either as additional trustees/ governors or replacements when existing trustees/ governors stand down. It is anticipated that the great majority of new trustees/ governors will be drawn from the local community being either parents or guardians of pupils and students at the individual academies or others that have shown an interest in the future wellbeing of the academies and their pupils. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communications to those within Essex.

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

Terms of appointment to the Board and the LACs will be for a period of four years from the date of their initial appointment. At the end of their four year term, retiring trustees/ governors are eligible for re-election for a further term. Parent trustees/ governors remain on their respective bodies for the period of their appointment, even if their son or daughter has left the academies, but must thereafter retire or be appointed in an alternative role.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All trustees/LAC members are encouraged to attend courses and conferences to improve their knowledge and enhance their skills. The Trust has subscribed to a package of courses provided by Essex County Council and also utilises specialist trainers to provide courses for the whole of the Board and LACs. Trustee/LAC training is a topic on the agenda for each meeting of the Board and LACs.

Trustees, LAC members and teaching staff meet regularly to review specific areas of development of the School and share joint training on relevant topics.

Trust Members are regularly informed of the academies' progress and activities and welcomed to attend events or visit.

f. ORGANISATIONAL STRUCTURE

The trustees have responsibility for setting and monitoring the overall strategic direction of the charitable company and approving decisions reserved to trustees. A detailed scheme of delegation for the trust is reviewed annually. Terms of reference for The SEAX Trust have been drawn up and are also annually reviewed.

The trustees meet as a board at a minimum of 3 times each year. All decisions reserved to the trustees are taken by the board as a whole. Two committees comprising board members will carry out much of the remit of the trustees – a Resources and Audit Committee (incorporating HR and Premises) and a Curriculum and Standards Committee (including Ofsted monitoring role). Each of the Committees meet at least 3 times each year with the meetings planned to be held prior to the Board meetings at which their business will be reported and recommendations presented.

In addition, Local Academy Committees (LACs) have been established for the individual academies and subsequent to the year end, also Kingswode Hoe School which has joined the Trust, and specific functions have been delegated to the LACs from the Board within its scheme of delegation and as appropriate for the needs of the individual academies. Each LAC meets a minimum of 6 times each year.

The CEO also has a Headteachers Group which meets regularly to discuss matters of importance to all of the Academies and the Group co-ordinates aims which apply to the whole Trust. The CEO reports back from this Group any matters requiring resolution by the Trustee Board.

The Responsible Officer role is performed by the Resource and Audit Committee as an oversight function in relation to the systems and processes of control and risk management that operate throughout The Academy trust. The performance of detailed internal control reviews has been delegated to SBM Services Ltd. Detailed reports from these reviews have been provided to the CEO, the CFO and the Resource and Audit Committee for appropriate follow-up action.

The CEO is the Accounting Officer and works closely with both the other trustees and the senior staff of The SEAX Trust such as the Financial Director.

The day-to-day management of The SEAX Trust rests with the CEO who has overall responsibility for the Trust. The CEO is responsible for establishing a Senior Leadership Team ("SLT") for the Trust, including the Director of Business and the Headteachers of the individual academies have responsibility for establishing a SLT at their individual academies.

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

The SLT line-manage the individual academy's staff which includes teachers, and learning support assistants, and the Principal or Headteacher manages their respective administrative, residential, site, catering and technical staff. Certain functions have been transferred from individual schools to the SEAX Trust central administrative activity and these staff are managed by the CEO.

Each year the SLT at each academy meets to prepare an Academy Improvement Plan ("AIP") and this is subsequently presented to LACs for consideration, challenge and approval. The CEO is responsible for ensuring that the individual AIPs are consistent with the Trust's aims and then presents the overall AIP to the Board of Trustees for consideration, challenge and approval. The AIPs detail strategic aims and academic targets as well as initiatives to further develop The SEAX Trust community. An objective of each academy's AIP is to ensure all-round excellence within the local academy and the best possible education for the students as well as good working conditions for staff. In addition, consideration of activities and facilities provided for the wider community are also included within the AIP. Once agreed, the CEO and SLT's have responsibility for delivering the plan and reporting progress on a regular basis to the LACs and board of trustees.

Coordinated with the objectives of the AIP is the annual financial plan, budget and asset management plan which is the responsibility of the CEO, Local Business Managers and Chief Financial Officer (CFO). Each academy's plan and budget are presented to the LACs for consideration, challenge and discussion, prior to making a recommendation to the board of trustees. Once approved, the Local Business Manager monitors income, expenditure and capital spending and regularly reports the financial status to the LACs and CFO. The CFO reports to the CEO and full trustee board.

Following a review during 2016, a decision was taken to create a permanent CEO and Principal role at the Trust level and effective 1 January 2017, Sally Davies OBE took up that role. Concurrently, Thriftwood Academy appointed co-headteachers with overall responsibility for the Thriftwood Academy, with each having a primary responsibility for Thriftwood College or Thriftwood School.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Board of Trustees is responsible for establishing overall guidelines for pay and has specific responsibility for setting the remuneration of the Trust CEO and Executive Principal. In doing so, the Board uses benchmarks of other Academy's and Schools in the local area, together with benchmarks for the appropriate size of Academy set by the ESFA. Remuneration of other senior academic staff is proposed by the Principal of each academy in line with nationally agrees current Teachers pay and Conditions.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy Trust works closely with Essex Special Schools Educational Trust (ESSET) to share knowledge and develop strategies for improving the outcomes for pupils with Special Educational Needs throughout Essex. A representative from an ESSET member school (a governor) is a Member of the Trust.

Further details of related party transactions can be found in note 31.

Objectives and Activities

a. OBJECTS AND AIMS

The objectives and aims for which the charitable company is established are set down in the governing document, as follows:

"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 a school specially organised to make special educational provision for pupils with Special Educational Needs ("the Special School")."

b. OBJECTIVES, STRATEGIES AND ACTIVITIES FOR ACHIEVING OBJECTIVES

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

In order to provide exceptional learning opportunities for students of The Academy Trust, management concentrate on four key priorities:

- a) Outstanding teaching and learning – the aim is to provide outstanding teaching to promote intellectual challenge and the highest possible achievement for each student
- b) Care for the individual – the structures and ethos of The Academy Trust ensure care for the individual and support for the learning of each individual student
- c) A fit place to learn – the aim is to provide an inspirational and well-run environment in which students can learn and grow in settings appropriate to their age
- d) Aspirational leadership – every leader in The Academy Trust keeps their area of responsibility under review, competing with the best

In addition, academies in The SEAX Trust aim to provide specialist outreach services into local schools (both Special Needs and Mainstream) to improve the provision of learning to students with SEN in those establishments.

The SEAX Trust, in association with its partners, aims to provide relevant support to both students and families from the academies and the local communities in which the academies operate.

The principal activity of SEAX Trust is to provide education for pupils and students in Essex who have a Statement of Special Educational Needs ("SEN") or Education, & Health Care Plan. Within the Trust during the 2016/7 year are three academies:

Thriftwood School and College, which is designated as a school for pupils with Moderate Learning difficulties which has approximately 162 pupils in KS1-4 and 62 students in KS5. The School, which has pupils in the age-range 5 to 14, covering KS1-3 is located in Galleywood, Chelmsford, Essex and has 113 pupils on site. A separate site in the Melbourne area of Chelmsford, known as Thriftwood College, has pupils in the 14 to 19 age range covering KS4 and KS5 and has approximately 106 pupils.

Langham Oaks School, located at Langham, near Colchester, caters for pupils in the age range of 10 to 16 categorised as having social, emotional and mental health needs and has funding for 69 students and has residential provision for 28 students within the overall total.

On 1 October 2016, Grove House School, located in Brentwood, joined the Trust as a member academy. Grove House School was formed as a Free School in 2015 and presently has 76 pupils on roll. Grove House School caters for pupils with Speech and Language difficulties.

Subsequent to the year-end, on 1 September 2017, Kingswode Hoe School, located in central Colchester, converted to an Academy and became a member academy within the Trust. Kingswode Hoe School caters for children with Moderate Learning Difficulties in the age range 5 to 16 and has approximately 129 pupils.

c. PUBLIC BENEFIT

The Trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this trustees' annual report.

Benefits & Beneficiaries

In accordance with its charitable objectives, the charitable company strives to advance the education of the students attending the individual schools and college. The charitable company's primary beneficiaries are therefore the students, and benefits to students are provided through continuing to maintain a high standard of education throughout the schools and college.

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

Trustees' Assessment of Public Benefit

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the trustees gather evidence of the success of The SEAX Trust's activities by reviewing progress against targets set in the Academy Improvement Plans.

Strategic report

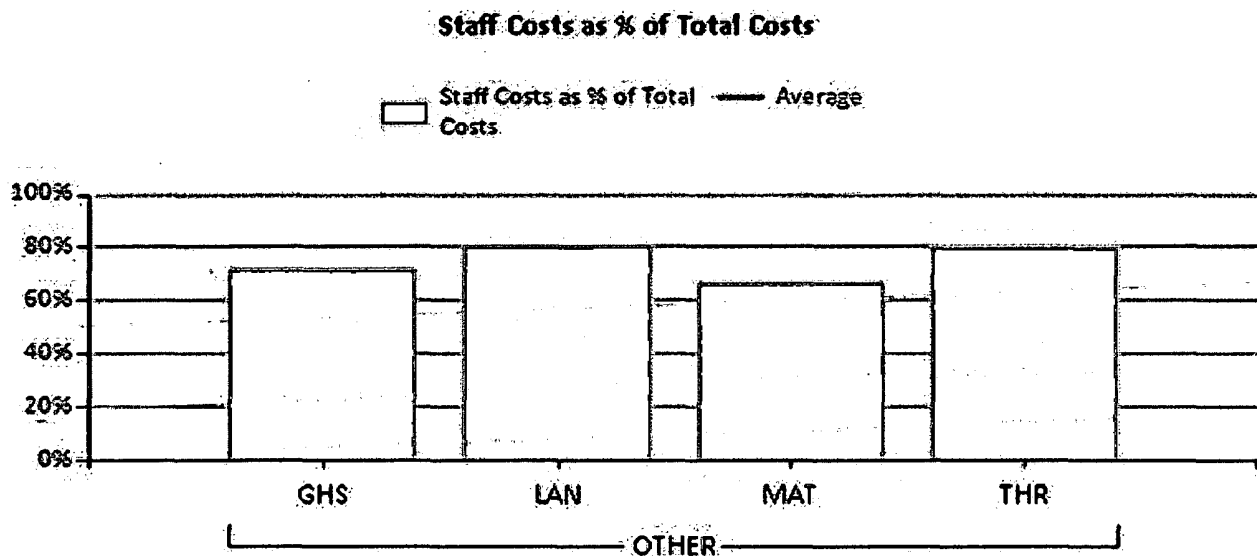
Achievements and performance

a. KEY PERFORMANCE INDICATORS

The Trustees seek to ensure that, consistent with its objective activities, it measures relevant outcomes for each academy so that:

- Leadership and governance across the trust and academies is highly effective and is accountable for securing improved outcomes for all learners.
- The quality of teaching is excellent and secures the highest achievement for all students.
- The quality and breadth of the curriculum enriches learning, promotes well-being and improves the life chances of students.
- High quality training and sustained professional development is provided for all staff and governors.
- Partnerships with parents/carers, a wide range of professionals and services effectively support achievement and social outcomes for all students.
- The Trust and academies are innovative and outward facing, working in partnership with ESSET, the LA and other organisations to develop outstanding SEND provision for children and young people in Essex.
- Safeguarding of all children within the Trust's academies is a key focus of staff throughout the Trust.

Key Financial Performance Indicators

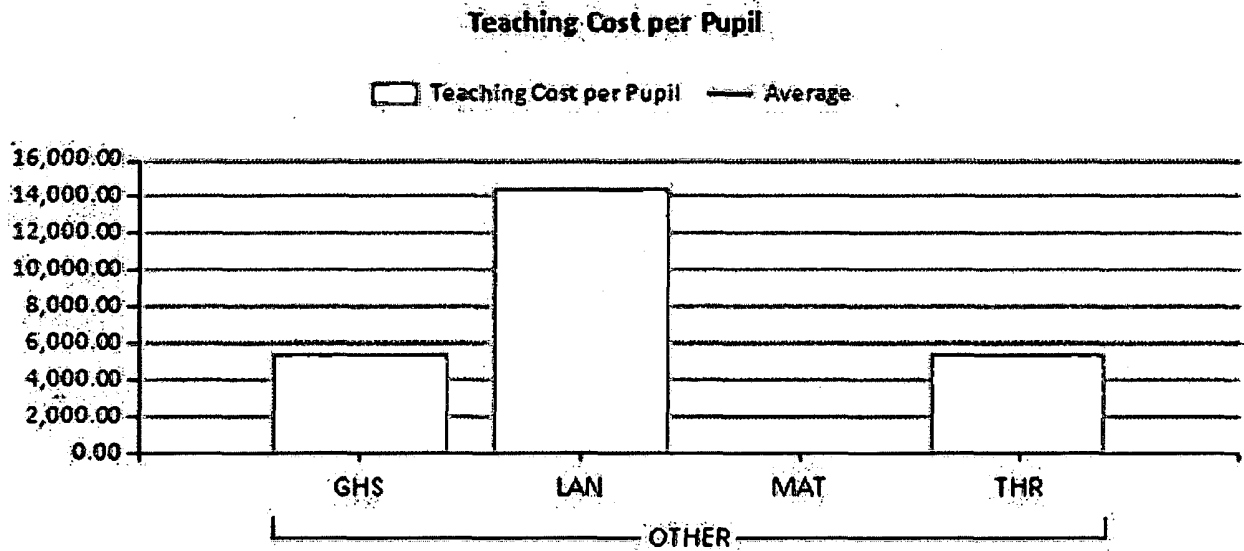


Information taken from our accounting software. Note Langham Oaks teaching costs include outreach staff.

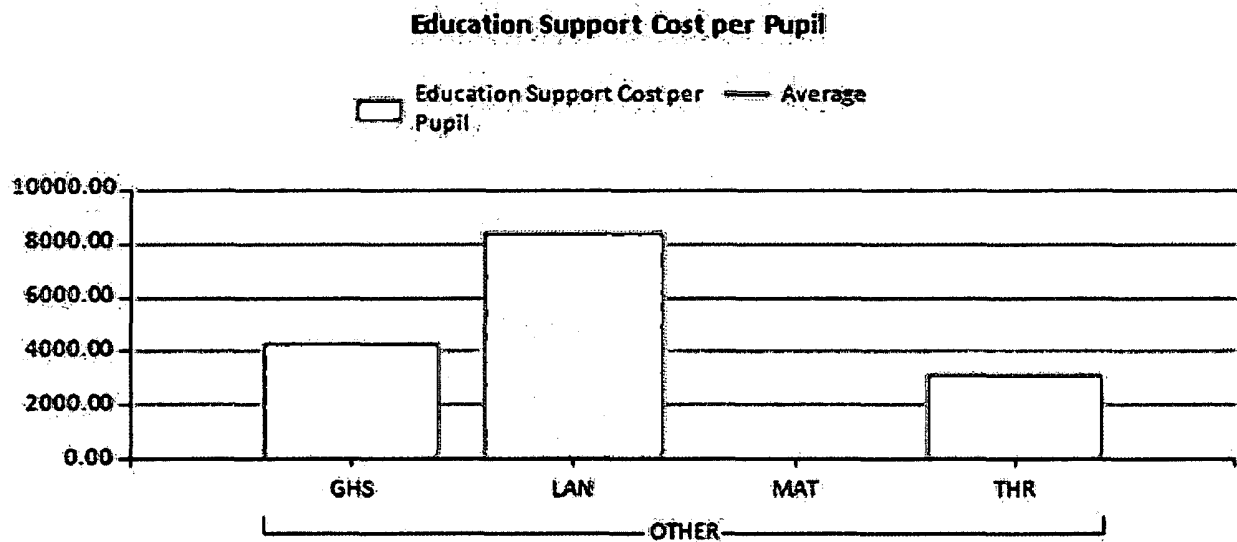
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Highest commitment is for 80% of budget.



Information taken from our accounting software. Note Langham Oaks teaching costs include outreach staff. All include leadership staff.

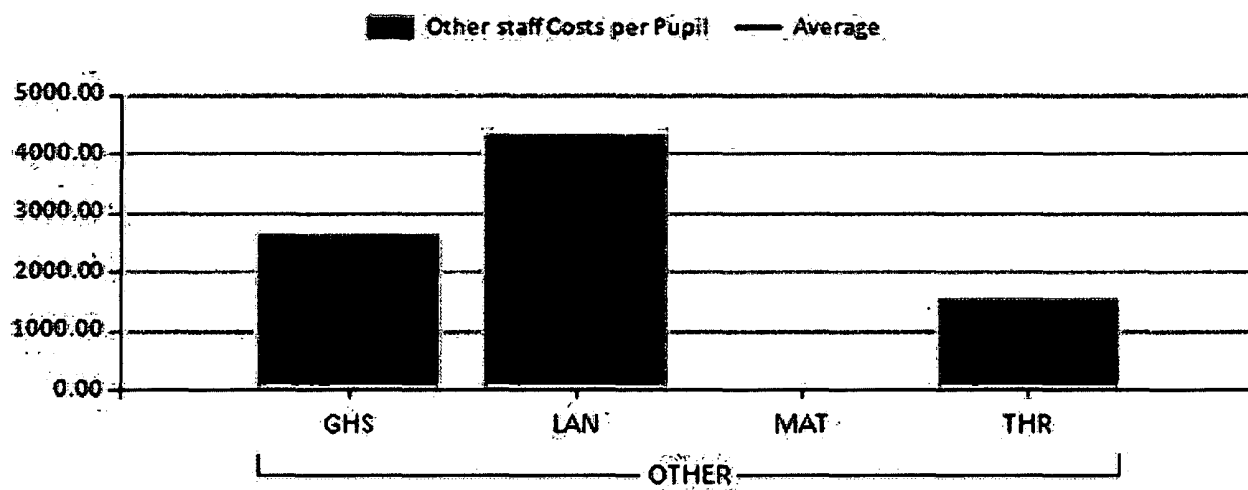


Information taken from our accounting software. Note Langham Oaks includes costs of Residential Staff.

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FOR THE YEAR ENDED 31 AUGUST 2017

Other staff Costs per Pupil



Information taken from our accounting software. Includes premises, catering, admin staff. Note 37% of costs are attributable to the residential boarding provision at Langham Oaks School.

Pupil Premium Information

Name of School	Number on Roll	Number in receipt of PPG	Number in Receipt of PPG as %	PPG Received Sept 2016 to Aug 2016
Grove House	76	Pri 6 Secondary 10	21%	£12738
Langham Oaks	69	Pri 6 Secondary 42	70%	£52,278
Thriftwood	224	Pri 13 Secondary 43	25%	£57,562
Totals	369	Pri 25 Secondary 95	32%	£122,578

b. GOING CONCERN

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

c. REVIEW OF ACTIVITIES

The SEAX Trust has successfully added Grove House School to the academies within the Trust during the previous year with the support of ESSET, Essex County Council and the Education Funding and Skills Agency (ESFA) and has worked with Kingswode Hoe School to enable that School to join the Trust on 1 September 2017.

The SEAX Trust has continued to develop a structure for the management of the overall Trust and the local academies to fully support the development of the pupils, students and staff within the Trust.

The SEAX Trust has been involved in preparing a bid to establish a new Free School, designated as The

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

Hawthorns, for pupils with complex autism spectrum needs which will be situated close to the Thriftwood College in the foreseeable future.

The SEAX Trust is fully staffed with a significant increase in the number of qualified teachers and other specialist staff, specialising in SEN provision, to support the increase in pupil/ student numbers

Staff from each of the local academies have shared knowledge and training to develop best in class practice for pupils and students development across The SEAX Trust.

The SEAX Trust continues to develop provision for pupils and students in facilities that are appropriate to the age ranges of the pupils/students.

The SEAX Trust continues to develop its capacity for providing training and professional development in SEN for teachers, support staff and other schools and agencies.

Finance staff at the SEAX Trust have undertaken reviews to determine best practice at each local academy and to develop common strategies to achieve best value across the whole Trust and has implemented a common accounting system which all of the Trust's academies will utilise. All academies have also moved to one central bank account, producing economies of scale.

Significant work has been undertaken to further develop appropriate learning strategies for post-16 students and to evaluate the success for each student.

Thriftwood School & College has retained specialist status for Business and Enterprise, has maintained Fair Trade status and continues to have Forest School accredited trainers.

The Thriftwood academy has continued to develop a research-based approach to school improvement in conjunction with Coventry University.

Langham Oaks has further expanded its outreach service which provides bespoke packages for pupils from the School and outside to improve their life chances.

Langham Oaks, working with Coderus, has developed an anti-bullying app which won a major award for the School and pupils involved.

Langham Oaks has been working with the ESFA and ECC on the plans to completely rebuild the School under the PSBP2 programme to make the provision fit for purpose.

Grove House School has increased capacity in line with its initial Free School bid.

Impact of Activities & Events and Assessment of Public Benefit

The SEAX Trust works with many organisations. Trustees can monitor the benefit from working with these organisations through reports and feedback

- The Thriftwood academy has been involved in an ECC initiative to develop hubs at selected mainstream schools to support children with SEN.
- The Apex Support Group continues to be very successful in supporting parents of children with SEN
- SEAX Schools have links with the Round Table charity who have provided opportunities for fund raising at their events, and who have given significant grants to schools for curriculum improvement
- Jack Petchey Foundation awards which enables our academies to recognise, reward and celebrate students achievements
- All students leaving SEAX Schools progress to post-16 learning in other educational establishments, or transition into the Thriftwood College post-16 provision, or into work placements
- Working within the community running Fairtrade Stalls in markets and various other locations
- Working within the Essex Special Schools Educational Trust (ESSET) to further educational opportunities for children with SEN in Essex
- Development of Outreach Services to create bespoke packages for pupils with specific needs

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

- Our academies have developed close links with local businesses who sponsor events and rewards for students within the Trust

d. INVESTMENT POLICY AND PERFORMANCE

The trustees' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of The Academy that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The Academy's current policy is to invest surplus funds in short-term cash deposits.

Financial review

a. RESERVES POLICY

The trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of The SEAX Trust and to fund future projects. The trustees intend to review the reserves policy annually to ensure that this aim can be achieved.

At the balance sheet date, the charitable company had free reserves of £704,927 (2016: £386,002). The trustees intend to utilise these reserves in the near future to enhance the education of students.

The charitable company also had restricted general funds at the balance sheet date of £1,059,390 (2016: £505,792). The trustees intend that these funds will be used within the next financial year in furtherance of the charitable company's educational objectives and in line with the restrictions applying.

The charitable company had a deficit on the pension reserve of £4,101,000 (2016: £3,779,000) arising primarily from the transfer of employees who are members of the Local Government Pension Scheme (LPGS) to the Academy on conversion. The Academy is planning to eliminate the deficit on the reserve over the lifetime of the existing employees based on advice provided by the LPGS Actuary.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The trustees maintain a register of business risk for each academy which is a living document, regularly reviewed and updated. Risks are maintained in 9 main categories and are allocated a degree of severity of impact based on level of risk and likelihood of an event occurring. The risk document and the underlying risks within the document are reviewed by the LACs and the Trustee Board on a regular basis.

The trustees have identified the following key risks to The SEAX Trust:

- (a) A drop in student numbers would result in lower funding levels and possibly in unviable class groups. At present, demand for places at the Trust's academies is at a high level.
- (b) The Local Authority controls admissions to the academies of The SEAX Trust. A reduction in referrals could have an impact on funding as described in a) above. At the present time the Local Authority is unable to meet demand for places in special schools and there is great pressure on the Trust to take additional students.
- (c) The SEAX Trust is exposed to fluctuations in government funding. Indicative funding levels from the Education and Skills funding Agency are monitored to ensure that short to medium term obligations can be met and any changes in funding can be managed to protect the Trust.
- (d) A new funding formula for Special Schools is being developed which could impact seriously on the level of funding received in the future. Sally Davies OBE (CEO and Executive Principal) has been in discussion with ESFA and ECC re the funding formula and its impact on special schools.
- (e) During 2013, The SEAX Trust negotiated a 123 year lease from Essex County Council of a suitable building

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

in Chelmsford to enable provision to be expanded to age 19. Risks involve funding for the improvements to the building required to provide adequate facilities and will also be subject to the risks identified in b) and c) above. Although significant improvements have been made to the building, there are still risks which have not been fully funded. The local academy committee is monitoring progress regularly to minimise the inherent risk in this development. In 2016/17 all ground level windows and doors were replaced through CIF grant funding. A new bid for roof replacement will be submitted in December 2017.

(f) In April 2015, as part of the establishment of the Langham Oaks Academy, the buildings transferred from the Local Authority required significant work to ensure that the facilities remained in a viable state. A current PSBP2 project to rebuild the school is being developed, but is not complete.

(g) Along with other state schools and many other public bodies, the SEAX Trust academies are also exposed to fluctuations in the value of the Local Government Pension Scheme. The scheme is presently underfunded and the rate of pension contribution paid by the Trust is increasing. The amount being paid could either increase or decrease in line with market conditions. The CEO and trustees are monitoring the situation and consider the additional amount payable to be affordable at present and have a reasonable expectation that the situation will remain affordable in the short to medium term.

(h) If any of the local academies were to experience significant changes in staffing due to retirement or progression, there is a risk that the academy could become exposed and underperform. The LACs and trustees monitor staffing levels through the CEO and are satisfied that adequate succession planning is in place to mitigate this risk.

(i) With rapid advances in technology, there is the possibility that Trust's local academies could be challenged to keep up with the pace of change. The Trust encourages the academies to strive to provide students and staff with good quality equipment and utilises relevant resources to maintain the capability of the academy to meet student and staff needs for up-to-date IT infrastructure. An IT Manager was appointed to help mitigate and associated risks and to develop common systems where appropriate.

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c. PRINCIPAL FUNDING AND FINANCIAL REVIEW

The predominant source of The SEAX Trust's income is provided by the Education and Skills funding Agency (ESFA) in the form of recurring grants. The principal grants are the General Annual Grant (GAG), some schools are receiving the transitional ESG Protection. Schools also receive 'top-up' funding from local authorities for day students, with an additional 'top up' for boarding pupils. Other smaller grants are received from the ESFA. During the year, the Academy has received specific grants from the ESFA to sponsor a new academy. Each of the foregoing grants is "restricted" to particular purposes for the running of The Academy and providing services in accordance with the schools objectives. During the year to 31 August 2017, the grants received were £6,194,371 (2016: £4,731,496) and are shown as restricted funds in the statement of financial activities.

Other sources of funding are "unrestricted" and are mainly monies collected from parents/ carers for student trips, monies gifted by the Parents and Friends Associations and income from lettings of parts of the premises to third parties. In addition, unrestricted income is generated by the provision of outreach and training activities.

At the year-end, The SEAX Trust held funds and reserves totalling £20,584,226 (2016: £14,597,357) of which £19,939,050 (2016: £14,193,355) was classified as restricted and £704,927 (2016: £386,002) which was classified as unrestricted. Details are provided in the notes to the accounts.

For capital projects, The SEAX Trust receives fixed asset grants from the ESFA and Devolved Formula Capital grant (DFCG). In 2017 these grants amounted to £16,303 (2016: £10,514).

At 31 August 2017 the net assets of The SEAX Trust were £20,584,226 (2016: £14,579,357). The net assets are used wholly for the purposes of providing The Trust's objectives in furtherance of education of The SEAX Trust's students and associated activities.

The SEAX Trust achieved a surplus of £6,004,869 (2016: deficit of £1,382,346) in the year to 31 August 2017, due to the tight fiscal management of The Trust's finances in line with the rigorous budgets set. Excluding the assets transferred into the Trust for Grove House, the surplus was £1,213,118.

Plans for future periods

a. FUTURE DEVELOPMENTS

Strategy

The SEAX Trust plans to continuously improve the educational experience of pupils and students within the local academies and to develop staff skills to enable this improvement to be attained. The SEAX Trust also plans to build on its capability to provide expert assistance to other schools and agencies to support their teaching of SEN students.

The SEAX Trust has partnerships with many other organisations and agencies and these partnerships will be developed and further partnerships established reflecting the increased age range of the students, in order to meet The Trust's charitable objectives.

Future Activities & Events

Student numbers are increasing following the addition of Grove House School into the Trust in October 2016. As numbers increase, there is continuous monitoring and review to ensure the best possible educational provision for all students of the SEAX Trust. A Headteachers Group has been established under the CEO and Executive Principal to co-ordinate developing appropriate curriculums and to increase liaison with other statutory organisations involved in student needs and supporting families in securing students' future provision.

On 1 September 2017, following the year-end, Kingswode Hoe School joined the Trust as a member Academy. Kingswode Hoe is an established successful school catering for pupils with Moderate Learning Difficulties based in Colchester and has approximately 129 pupils.

The Trust is in the process of establishing a new Free School on land close to Thriftwood College. The bid is

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FOR THE YEAR ENDED 31 AUGUST 2017

supported by Essex County Council, the ESFA and the ESSET Trust.

The Trust has developed policies and procedures which will enable the expertise contained within the overall Trust to be utilised for the benefit all of staff, pupils and students throughout the Trust and also to enable that expertise to be deployed through the special needs sector of education within Essex.

Impact of Future Activities & Events

The trustees are in the process of self review to recognise the changes in the governance structure to support the transition to a larger trust. The increase in pupil/ student and staff numbers will also be taken into account, as appropriate, to evaluate progress. Key measures currently in use (see prior information) will also continue to be used.

FUNDS HELD AS CUSTODIAN

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received and distributes amounts from the fund as detailed in note 23 to the financial statements

DISCLOSURE OF INFORMATION TO AUDITORS


Insofar as the Trustees are aware:

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

AUDITORS

The auditors, MWS, have indicated their willingness to continue in office.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2017 and signed on its behalf by:


Ann-Marie Briggs
Chair of Trustees


Sally Davies OBE
Accounting Officer

SEAX TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, 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 SEAX Trust and the Secretary of State for Education. They are 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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ann-Marie Briggs, Chair	6	6
Sally Davies OBE, Chief Executive & Accounting Officer	6	6
David Cottrell, Vice Chair	6	6
Steven Hile	2	6
Emma Paramor	2	2
Angela Bradding	3	6
Lisa Christodoulides	2	2
Andrew Hunter	5	6
Sally Lockyer	5	6
Michael Southgate	4	6
Anthony Cox	4	5
John Revill	0	2

The Finance and HR Directors attend the meetings as advisors to the Board but are not eligible to vote.

The members of the trust have formally met once during the year. Attendance during the year at meetings of the members of the trust was as follows:

Mark Ross	0	1
Tony Cox	1	1
Andrew Barton	1	1
Andrew Hunter	1	1
Rev Canon Ivor Moody	0	1
John Revill	0	1

The Resources and Audit Committee is a sub-committee of the main board of trustees. It met 4 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Andrew Hunter	4	4
David Cottrell	3	4
Steven Hile	4	4
Sally Davies OBE	4	4
Anthony Cox	1	2

SEAX TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Curriculum and Standards Committee is also a sub-committee of the main board of trustees. It met 4 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Michael Southgate	3	4
Sally Davies	4	4
Ann-Marie Briggs	3	4
Emma Paramor	2	2
Lisa Christodoulides	1	2
John Revill	0	2
Angela Bradding	2	3
Sally Lockyer	3	3

The Local Academy Committee for Thriftwood School and College met 5 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ann-Marie Briggs	4	5
David Cottrell	3	5
Sally Davies OBE	1	1
Steven Hile	4	5
Shaun Laundon	3	5
Georgina Pryke	5	5
Nigel Rothwell	3	5
Sam Sheppard (resigned June 2017)	3	4
Elizabeth Smart	5	5
Claire Smith	4	5

The Local Academy Committee for Langham Oaks School met 6 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Angela Bradding	6	6
Jenny Southworth (Baldry from April 2017)	6	6
Stephen Wiper	6	6
Helen Graham (resigned January 2017)	1	2
Emma Paramor	6	6
Alex Drennan	6	6
Jaqueline Daldry	6	6

The Local Academy Committee for Grove House School met 5 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Sally Lockyer	5	5
Timothy O'Hara	5	5
Lisa Christodoulides	5	5
Lesley Howes	5	5
Victoria Joffe (resigned June 2017)	0	4
Jane McKean (resigned March 2017)	0	2

SEAX TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Andrea Musk	5	5
Linda Newton	5	5
Tamsin Owens	5	5
Melanie Wilson	5	5
Katrina Boyle	5	5

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive 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 academy'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 academy has delivered improved value for money during the year by:

The Trust has grown substantially throughout the year. Grove House School in Brentwood joined the Trust on 1st October 2016, and work progressed throughout the summer term to enable Kingswode Hoe School to join on 1st September 2017. In addition our bid to open a free school – The Hawthorns – was successful and we are now collaborating closely with ESFA and ECC to open this provision with residential facilities for children with severe Autism.

We have developed three professional groups within the Trust who focus on Finance, HR and Leadership. These groups have representation from each school and meet regularly to share best practice, challenge and support each other, and to inform and advise the SEAX Board of Trustees.

A comprehensive Training Schedule for HR related topics is in place and has delivered regular high quality training to school staff. It has been greatly appreciated in terms of content, and in the cost savings per school who have not had to buy in HR training.

Financial training has been delivered throughout the year at school level and forms part of each Business Meeting, giving further cost savings for each school. Business Managers also continue to meet with all special schools in Essex on a termly basis. Benchmarking is a fixed item on each agenda. This year they have focussed on therapy provision, contract cleaning and emergency alarm maintenance.

Governance is now led by our Company Secretary, which has enabled each school to make time and salary savings for back office staff.

Development Plan 2016/17 - outcomes

- We support back-office functions and have centralised the strategic activities surrounding finance, HR and governance. Significant staffing savings have been achieved at school level for back-office provision
- We have appointed a dedicated Executive Principal and CEO who is providing an excellent challenge and support service to our Headteachers, many of whom are new to their post. The CEO has led the development of a clear strategic plan with qualitative and quantitative performance indicators, focused on delivering the Trust's vision and objectives. Trustees have been regularly monitoring progress to ensure the Trust remains on track to deliver its objectives.
- Successfully bid for a free school for children with severe Autism
- Successfully bid for a Growth Grant to further enhance our Autism specialism and to introduce a programme of CPD for staff progression
- Grown the Trust by two schools within the last 12 months
- Moved to a central accounting system and provided training for all. Savings have been made in terms of annual support and licence costs. Transparency of reporting is greatly improved for the Board of Trustees
- Moved to a central payroll service resulting in considerable savings annually for our current schools. These savings will increase as the number of employees grow
- Appointed a Trust wide CPD Co-ordinator funded by our Growth Grant who will manage our Apprenticeships Levy funding, and who will begin to develop trust-wide learning
- Moved to a single bank account, reducing administrative time costs across the schools, and by reducing

SEAX TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

bank charge liabilities

Development of Best Value in the future

In the next year the Trust plans to:

- Further develop our specialist SEN CPD provision to open it to other schools in Essex
- Centralise, develop and expand our LOOP (Langham Oaks Outreach Provision) for students not able to be educated in schools
- Support Langham Oaks School in the development of its new buildings through the PSBP2 Programme
- Work closely with ECC and ESFA through the design and build of The Hawthorns
- Continue to gain cost savings for schools through centralisation of contracts

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 SEAX Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy 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's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The academy'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 Resources 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 board of trustees has considered the need for a specific internal-audit function and has decided to appoint the Resources and Audit Committee to assume the role as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:
Checks of control and review of the accounting system.

Detailed checking of the internal controls has been delegated to SBM Financial Services, who provide reports and detailed recommendations for any weaknesses which may be identified. The Resources and Audit Committee receives the reports and, together with the Finance Director, acts on the recommendations made.

On an annual basis, the internal auditor reports to the board of trustees through the audit committee on the

SEAX TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year under review, minor weaknesses have been observed and modified procedures have been implemented to address all of the weaknesses identified.

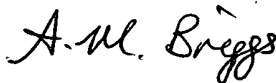
REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Resources and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on Select date above ^{6th December} 2017 and signed on their behalf, by:



Ann-Marie Briggs
Chair of Trustees



Sally Davies OBE
Accounting Officer

SEAX TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of SEAX Trust 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 ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of 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 2016.

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



Sally Davies OBE
Accounting Officer

SEAX TRUST
(A company limited by guarantee)

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

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

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

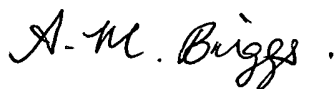
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the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

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

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 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 6 December 2017 and signed on its behalf by:



Ann-Marie Briggs
Chair of Trustees

SEAX TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SEAX TRUST

OPINION

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

This report is made solely to the 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

SEAX TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SEAX TRUST

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the academy'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 academy's or to cease operations, or have no realistic alternative but to do so.

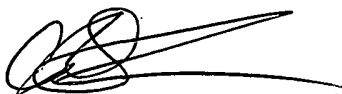
SEAX TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SEAX TRUST

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Clive Smith FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants
Registered Auditors

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

SEAX TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SEAX TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated May 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SEAX Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF SEAX TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of SEAX Trust's funding agreement with the Secretary of State for Education dated September 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

CONCLUSION

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



MWS

SEAX TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SEAX
TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

Chartered Accountants
Reporting Accountant

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



Date: 6th December 2017

SEAX TRUST
(A company limited by guarantee)

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

	Note	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	3	201,630	6,066,585	48,829	6,317,044	50,070
Charitable activities:	6					
Academies' educational operations		5,606,871	-	-	5,606,871	4,143,994
Boarding		587,500	-	-	587,500	587,502
Other trading activities	4	-	-	468,436	468,436	331,048
Investments	5	-	-	992	992	1,103
TOTAL INCOME		6,396,001	6,066,585	518,257	12,980,843	5,113,717
EXPENDITURE ON:						
Charitable activities:						
Academies educational operations		6,042,059	487,292	17,082	6,546,433	4,676,732
Provision of boarding activities		551,541	-	-	551,541	587,332
TOTAL EXPENDITURE	9	6,593,600	487,292	17,082	7,097,974	5,264,064
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(197,599)	5,579,293	501,175	5,882,869	(150,347)
Transfers between Funds	24	366,948	(124,947)	(242,001)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		169,349	5,454,346	259,174	5,882,869	(150,347)
Actuarial gains/(losses) on defined benefit pension schemes	28	122,000	-	-	122,000	(1,232,000)
NET MOVEMENT IN FUNDS		291,349	5,454,346	259,174	6,004,869	(1,382,347)
RECONCILIATION OF FUNDS:						
Total funds brought forward		(3,273,208)	17,466,563	386,002	14,579,357	15,961,704
TOTAL FUNDS CARRIED FORWARD		(2,981,859)	22,920,909	645,176	20,584,226	14,579,357

SEAX TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07747149

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	2016 £
FIXED ASSETS				
Tangible assets	19		22,920,909	17,507,937
CURRENT ASSETS				
Stocks	20	1,643		1,025
Debtors	21	235,024		106,805
Cash at bank and in hand		1,898,332		1,011,795
		<u>2,134,999</u>		<u>1,119,625</u>
CREDITORS: amounts falling due within one year	22	(370,682)		(269,205)
NET CURRENT ASSETS			<u>1,764,317</u>	<u>850,420</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>24,685,226</u>	<u>18,358,357</u>
Defined benefit pension scheme liability	28	(4,101,000)		(3,779,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>20,584,226</u></u>	<u><u>14,579,357</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	24	1,119,141		505,792
Restricted fixed asset funds	24	22,920,909		17,466,563
Restricted income funds excluding pension liability		24,040,050		17,972,355
Pension reserve		<u>(4,101,000)</u>		<u>(3,779,000)</u>
Total restricted income funds			<u>19,939,050</u>	<u>14,193,355</u>
Unrestricted funds	24		<u>645,176</u>	<u>386,002</u>
TOTAL FUNDS			<u><u>20,584,226</u></u>	<u><u>14,579,357</u></u>

The financial statements on pages 27 to 55 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:


Ann-Marie Briggs
Chair of Trustees


Sally Davies OBE
Accounting Officer

SEAX TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	26	<u>719,223</u>	<u>192,123</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		992	1,103
Purchase of tangible fixed assets		(1,323,648)	(203,259)
Capital grants from DfE/ESFA		1,485,670	36,599
Asset donated to the Trust		4,300	-
Net cash provided by/(used in) investing activities		<u>167,314</u>	<u>(165,557)</u>
Change in cash and cash equivalents in the year		<u>886,537</u>	<u>26,566</u>
Cash and cash equivalents brought forward		<u>1,011,795</u>	<u>985,229</u>
Cash and cash equivalents carried forward		<u><u>1,898,332</u></u>	<u><u>1,011,795</u></u>

SEAX TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

SEAX Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

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

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

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Apportionment of costs

Where necessary, premises costs and administration salaries have been apportioned between the boarding and educational operations of Langham Oaks School based on the proportion of boarding income.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long-term leasehold land	-	over the life of the lease
Long-term leasehold buildings	-	2% p.a.
Motor vehicles	-	20% p.a.
Furniture and equipment	-	20% p.a.
Computer equipment	-	33% p.a.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Interest receivable

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

1.10 Stocks

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

1.11 Taxation

The academy 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 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.

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

1. ACCOUNTING POLICIES (continued)

1.12 Debtors

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

1.13 Cash at Bank and in hand

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

1.14 Liabilities and provisions

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

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 21. 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 costs as detailed in note 22. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

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

1. ACCOUNTING POLICIES (continued)

1.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.17 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

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

1. ACCOUNTING POLICIES (continued)

1.18 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

It is considered that there are no critical accounting estimates other than the above.

2. GENERAL INFORMATION

SEAX Trust is a company limited by guarantee and incorporated in England and Wales.

Its registered office is Thriftwood School, Slades Lane, Galleywood, Chelmsford, Essex, CM2 8RW.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Government grants - assets					
inherited on transfer	201,630	4,576,615	13,506	4,791,751	-
Donations for fixed assets	-	4,300	-	4,300	26,085
Other donations	-	-	35,323	35,323	13,471
Capital grants	-	1,485,670	-	1,485,670	10,514
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2016	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	36,599	13,471	50,070	

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

4. OTHER TRADING ACTIVITIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Business enterprise activities	-	22,725	22,725	25,833
Afterschool club	-	-	-	3,432
Hire of facilities	-	26,950	26,950	26,705
School sales	-	344,344	344,344	210,806
Catering income	-	50,782	50,782	44,398
Educational visits	-	23,635	23,635	19,874
	-	468,436	468,436	331,048
<i>Total 2016</i>	-	331,048	331,048	

5. INVESTMENT INCOME

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	-	992	992	1,103
<i>Total 2016</i>	-	1,103	1,103	

6. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Educational Operations	5,606,871	-	5,606,871	4,143,995
Provision of Boarding	587,500	-	587,500	587,501
	6,194,371	-	6,194,371	4,731,496
<i>Total 2016</i>	4,731,497	-	4,731,497	

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

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	3,640,235	-	3,640,235	2,584,132
Start Up Grants	142,375	-	142,375	-
Other DfE/ESFA grants	154,038	-	154,038	159,324
	<u>3,936,648</u>	<u>-</u>	<u>3,936,648</u>	<u>2,743,456</u>
Other government grants				
Local authority grants	1,670,223	-	1,670,223	1,306,340
Special educational projects	-	-	-	94,199
	<u>1,670,223</u>	<u>-</u>	<u>1,670,223</u>	<u>1,400,539</u>
	<u>5,606,871</u>	<u>-</u>	<u>5,606,871</u>	<u>4,143,995</u>
<i>Total 2016</i>	<u>4,143,996</u>	<u>-</u>	<u>4,143,996</u>	

7. DIRECT COSTS

	Educational Operations £	Provision of Boarding £	Total 2017 £	Total 2016 £
Technology costs	11,200	-	11,200	6,717
Educational supplies	113,084	4,699	117,783	122,240
Examination fees	6,983	-	6,983	9,686
Staff development	9,796	-	9,796	14,530
Educational consultancy	18,500	-	18,500	884
Other direct costs	2,774	-	2,774	5,408
Legal and professional fees	110,638	-	110,638	71,660
Wages and salaries	2,933,456	363,842	3,297,298	2,670,013
National insurance	276,999	23,452	300,451	219,670
Pension cost	312,893	-	312,893	262,117
	<u>3,796,323</u>	<u>391,993</u>	<u>4,188,316</u>	<u>3,382,925</u>
<i>At 31 August 2016</i>	<u>2,962,511</u>	<u>420,414</u>	<u>3,382,925</u>	

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

8. SUPPORT COSTS

	Educational Operations	Provision of Boarding	Total 2017	Total 2016
	£	£	£	£
Pension income	81,000	-	81,000	90,000
Technology costs	31,603	-	31,603	29,605
Staff development	10,918	-	10,918	-
Maintenance of premises	190,456	10,524	200,980	98,039
Cleaning	34,316	1,787	36,103	41,709
Rent and rates	19,635	296	19,931	8,029
Energy costs	90,461	12,218	102,679	53,315
Insurance	21,146	-	21,146	6,300
Security and transport	29,274	1,609	30,883	62,491
Catering	58,578	23,803	82,381	75,328
Bank interest and charges	370	-	370	317
Indirect staff costs	3,108	-	3,108	7,449
Legal and professional fees	247,428	-	247,428	95,133
Other support costs	40,203	6,080	46,283	32,658
PPS & telephone	32,876	-	32,876	14,500
Governors' expenses	19,455	-	19,455	11,711
Wages and salaries	685,130	98,387	783,517	553,522
National insurance	33,389	4,844	38,233	26,540
Pension cost	633,472	-	633,472	330,000
Depreciation	487,292	-	487,292	344,493
	2,750,110	159,548	2,909,658	1,881,139
<i>At 31 August 2016</i>	<i>1,714,222</i>	<i>166,917</i>	<i>1,881,139</i>	

During the year ended 31 August 2017, the academy incurred the following Governance costs:
£15,000 (2016 - £10,486) included within the table above in respect of Educational Operations.
£NIL (2016 - £1,225) included within the table above in respect of Provision of Boarding.

9. EXPENDITURE

	Staff costs 2017	Premises 2017	Other costs 2017	Total 2017	Total 2016
	£	£	£	£	£
Educational Operations:					
Direct costs	3,523,348	-	272,975	3,796,323	2,962,511
Support costs	1,351,991	843,306	554,813	2,750,110	1,702,510
Provision of Boarding:					
Direct costs	387,294	-	4,699	391,993	420,414
Support costs	103,231	24,825	31,492	159,548	166,917
	5,365,864	868,131	863,979	7,097,974	5,252,352
<i>Total 2016</i>	<i>4,061,862</i>	<i>551,885</i>	<i>638,605</i>	<i>5,252,352</i>	

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

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	487,291	344,493
Operating lease rentals	17,628	15,170
Auditors' remuneration	15,000	12,500
Other audit services	-	1,190
	<u> </u>	<u> </u>

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an audit fee of £15,000 (2016 - £12,500).

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

12. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,059,170	3,164,918
Social security costs	338,684	246,209
Operating costs of defined benefit pension schemes	946,365	592,117
	<u>5,344,219</u>	<u>4,003,244</u>
Apprenticeship levy	2,410	-
Supply teacher costs	19,235	58,618
	<u>5,365,864</u>	<u>4,061,862</u>

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

	2017 No.	2016 No.
Management	7	8
Teachers	46	38
Admin and support	138	103
	<u>191</u>	<u>149</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	0
In the band £70,001 - £80,000	1	2

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff members amounted to £36,345 (2016: £25,052)

During the year the Academy Trust paid a total of £389,084 for employee pay and benefits to its key management personnel. Of this figure £338,037 related to pay and £51,047 related to employer's pension contributions.

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

13. CENTRAL SERVICES

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

- Corporate governance and reporting
- Education and leadership support services
- HR and legal services
- Financial support services
- IT support
- Other administrative services as arising

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

From pupil lead income as followings: 5% of the total General Annual Grant and 5% of top up funding.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Thriftwood Academy - Central services	136,410	-
Thriftwood Academy - MAT grant	16,872	-
Thriftwood Academy - Start up grant for Langham Oaks	61,853	-
Thriftwood Academy - Autism grant	46,000	-
Langham Oaks School - Central services	95,284	-
Grove House School - Central services	48,934	-
	<u>405,353</u>	<u>-</u>
Total		

14. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017 £	2016 £
Sally Davies	Remuneration	55,000 - 60,000	75,000 - 80,000
	Pension contributions paid	5,000 - 10,000	10,000 - 15,000
Emma Paramor (until resignation)	Remuneration	25,000 - 30,000	75,000 - 80,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000
Lisa Christodoulides (until resignation)	Remuneration	20,000 - 25,000	-
	Pension contributions paid	0 - 5,000	-

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

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

15. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

16. OTHER FINANCE INCOME

	2017 £	2016 £
Interest on pension scheme liabilities	<u>(81,000)</u>	<u>(90,000)</u>

17. TRANSFERS BETWEEN FUNDS

Funds have been transferred in respect of the following:

£242,001 has been transferred from the unrestricted fund to the restricted general fund representing expenditure made out of unrestricted funds.

£61,853 has been transferred between restricted funds representing reallocation of funds relating to a start up grant.

£148,787 has been transferred from the restricted general fund to the restricted fixed asset fund representing capital expenditure out of restricted funds.

£210,300 has been transferred from the restricted fixed asset fund to the restricted fund representing capital income spent on revenue projects.

£34,008 has been transferred between restricted fixed asset funds representing capital donations contributions to works funded by capital grant.

£219 has been transferred between restricted fixed asset funds to agree the split between assets purchased from GAG and from capital grants.

£121,800 has been transferred between the restricted general fund and the restricted boarding fund representing the boarding fund's share of the LGPS pension charge.

£85,840.75 has been transferred from the restricted general fund to the restricted boarding fund where boarding costs have been funded from GAG.

£244,630 has been transferred between restricted funds representing funds transferred in from Grove House allocated to the appropriate funds balance.

£4,576,615 has been transferred between restricted fixed asset funds representing fixed asset funds transferred in from Grove House allocated to the appropriate funds balance.

£63,434 has been transferred from the restricted fixed asset fund to the restricted general fund representing allowable revenue expenditure from capital grants.

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

18. ACADEMY BOARDING ACCOUNT

	2017 £	2017 £	2016 £	2016 £
Income				
Grants		587,500		587,500
Expenditure				
Direct Costs				
Staff costs	387,294		416,139	
Other direct costs	4,699		4,275	
	<u> </u>	(391,993)	<u> </u>	(420,414)
Support Costs				
Staff costs	103,231		99,302	
Maintenance of premises	10,524		10,567	
Cleaning	1,787		1,567	
Rent and rates	296		953	
Energy costs	12,218		8,457	
Catering	23,803		29,026	
Auditors fees	-		1,225	
Security and transport	1,609		7,371	
Other support costs	6,080		8,447	
	<u> </u>	(159,548)	<u> </u>	(166,915)
Total Operating Costs		(551,541)		(587,329)
Surplus/(deficit) on boarding brought forward at 1 September 2016		-		4,294
Surplus/(deficit) on boarding		35,959		171
Transfer of amount to restricted GAG fund to cover proportion of LGPS service charge		(121,800)		(90,670)
Transfer of unrestricted funds used to fund boarding		85,841		86,207
Transfer of amount to fund furniture in restricted fixed asset fund		-		-
Surplus/(deficit) on boarding carried forward at 31 August 2017		<u> </u>		<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Furniture and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2016	17,941,177	44,140	273,022	116,915	18,375,254
Additions	1,140,886	-	104,607	78,155	1,323,648
Transferred in	4,424,353	-	46,805	105,457	4,576,615
At 31 August 2017	<u>23,506,416</u>	<u>44,140</u>	<u>424,434</u>	<u>300,527</u>	<u>24,275,517</u>
Depreciation					
At 1 September 2016	695,624	19,388	99,854	52,451	867,317
Charge for the year	318,324	16,310	64,066	88,591	487,291
At 31 August 2017	<u>1,013,948</u>	<u>35,698</u>	<u>163,920</u>	<u>141,042</u>	<u>1,354,608</u>
Net book value					
At 31 August 2017	<u>22,492,468</u>	<u>8,442</u>	<u>260,514</u>	<u>159,485</u>	<u>22,920,909</u>
At 31 August 2016	<u>17,245,553</u>	<u>24,752</u>	<u>173,168</u>	<u>64,464</u>	<u>17,507,937</u>

20. STOCKS

	2017 £	2016 £
Catering and uniform stock	<u>1,643</u>	<u>1,025</u>

21. DEBTORS

	2017 £	2016 £
Trade debtors	57,380	58,152
VAT repayable	27,685	704
Other debtors	46,440	1,000
Prepayments and accrued income	103,519	46,949
	<u>235,024</u>	<u>106,805</u>

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22. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	92,926	238
Other taxation and social security	84,868	70,059
Other creditors	185,731	197,894
Accruals and deferred income	7,157	1,014
	<u>370,682</u>	<u>269,205</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	-	198,128
Amounts released from previous years	-	(198,128)
	<u>-</u>	<u>-</u>

There was no deferred income at the year end.

23. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £10,164 (2016: £14,724) and disbursed £8,197 (2016: £15,399) from the fund. An amount of £6,978 (2016: £5,011) is included in other creditors relating to undistributed funds that is repayable to ESFA.

24. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted	386,002	501,212	(16,359)	(242,001)	-	628,854
Business & Enterprise	-	3,539	(723)	-	-	2,816
Transferred in	-	13,506	-	-	-	13,506
	<u>386,002</u>	<u>518,257</u>	<u>(17,082)</u>	<u>(242,001)</u>	<u>-</u>	<u>645,176</u>

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24. STATEMENT OF FUNDS (continued)

Restricted funds

GAG and Top Up	368,419	5,123,041	(5,130,631)	553,310	-	914,139
Other DfE/ESFA grants	-	55,666	(202,277)	146,611	-	-
Pupil premium	75,520	122,579	(200,204)	2,905	-	800
Sports grant	-	14,607	(10,996)	4,579	-	8,190
Year 7 catch up grant	-	22,602	(24,587)	1,985	-	-
Start up grant	61,853	78,724	(19,282)	(61,853)	-	59,442
Autism Hub	-	98,932	(52,362)	-	-	46,570
Transferred in	-	201,630	-	(201,630)	-	-
ESFA MAT growth grant	-	60,000	-	-	-	60,000
ESFA pre opening grant	-	30,000	-	-	-	30,000
Other grants	-	720	(720)	-	-	-
Boarding	-	587,500	(551,541)	(35,959)	-	-
Pension reserve	(3,779,000)	-	(401,000)	(43,000)	122,000	(4,101,000)
	<u>(3,273,208)</u>	<u>6,396,001</u>	<u>(6,593,600)</u>	<u>366,948</u>	<u>122,000</u>	<u>(2,981,859)</u>

Restricted fixed asset funds

Capital expenditure from						
GAG	402,547	-	(43,867)	198,054	-	556,734
DfE/ESFA capital grants	1,401,936	1,479,375	(151,619)	2,986,311	-	5,716,003
Local Authority grants	288,055	6,295	(7,175)	-	-	287,175
Assets donated from						
Local Authority	9,167,388	-	(177,680)	1,301,311	-	10,291,019
Inherited fixed assets	6,130,231	-	(87,297)	-	-	6,042,934
Other fixed asset						
donations	66,995	-	(15,769)	(34,008)	-	17,218
Gifted fixed assets	4,340	4,300	(2,504)	-	-	6,136
Capital expenditure from						
boarding fund	5,071	-	(1,381)	-	-	3,690
Transferred in	-	4,576,615	-	(4,576,615)	-	-
	<u>17,466,563</u>	<u>6,066,585</u>	<u>(487,292)</u>	<u>(124,947)</u>	<u>-</u>	<u>22,920,909</u>
Total restricted funds	<u>14,193,355</u>	<u>12,462,586</u>	<u>(7,080,892)</u>	<u>242,001</u>	<u>122,000</u>	<u>19,939,050</u>
Total of funds	<u>14,579,357</u>	<u>12,980,843</u>	<u>(7,097,974)</u>	<u>-</u>	<u>122,000</u>	<u>20,584,226</u>

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

The General Annual Grant (GAG) and Top Up fund represents the core funding for the educational activities of the school that has been provided to the trust via the ESFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the trust.

The pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Other DfE/ESFA fund has been created to recognise the restricted grant funding received from the DfE/ESFA which fall outside the scope of core funding.

The Local Authority revenue grants fund has been set up to recognise the restricted grant funding

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

received from Essex County Council as a contribution towards the cost of the trust's revenue expenditure. The Special Educational Projects fund has been set up to recognise the restricted funding received from the ESFA to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Capital expenditure from the GAG fund has been created to reflect the value of tangible fixed assets purchased from GAG funding. Depreciation charged to the assets purchased with the GAG funding is allocated to this fund.

The DfE/ESFA and local authority capital grant funds have been created to recognise the capital grants received from the purpose of the acquisition of tangible fixed assets. The amount spent in excess of the capital grants received has been transferred in from the GAG fund. Depreciation relating to these assets has been allocated to this fund.

The Assets donated from the Local Authority Fund has been set up to recognise the tangible assets gifted to the academy since conversion by the local authority. Depreciation charged on those inherited assets is allocated to this fund.

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority which represent the school site inherited from the local authority including the leasehold land and buildings and all material items of plant and machinery therein. Depreciation charged on those inherited assets is allocated to this fund.

The Other Fixed Assets Donations Fund has been set up to recognise donations from other parties for the purpose of purchasing tangible fixed assets. Depreciation charged on these assets is allocated to this fund.

The Gifted Fixed Asset Fund has been set up to recognise assets donated to the academy. Depreciation charged on these assets is allocated to this fund.

The Provision of Boarding fund has been set up to recognise the income and expenditure relating to boarding activities.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Thriftwood Academy	885,978	630,380
Langham Oaks School	372,441	261,414
Grove House	313,452	-
Central	192,446	-
Total before fixed asset fund and pension reserve	1,764,317	891,794
Restricted fixed asset fund	22,920,909	17,466,563
Pension reserve	(4,101,000)	(3,779,000)
Total	20,584,226	14,579,357

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

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Thriftwood Academy	1,860,146	600,733	52,393	453,741	2,967,013	2,798,229
Langham Oaks School	1,116,396	341,639	38,222	297,712	1,793,969	1,534,010
Langham Oaks School - Boarding	387,294	103,231	4,699	56,317	551,541	587,331
Grove House School	506,039	280,325	21,746	245,467	1,053,577	-
Central services	40,769	129,293	723	73,798	244,583	-
	<u>3,910,644</u>	<u>1,455,221</u>	<u>117,783</u>	<u>1,127,035</u>	<u>6,610,683</u>	<u>4,919,570</u>

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	22,920,909	-	22,920,909
Current assets	1,549,576	-	585,423	2,134,999
Creditors due within one year	(430,435)	-	59,753	(370,682)
Provisions for liabilities and charges	(4,101,000)	-	-	(4,101,000)
	<u>(2,981,859)</u>	<u>22,920,909</u>	<u>645,176</u>	<u>20,584,226</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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26. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	5,882,869	(150,347)
Adjustment for:		
Depreciation charges	487,292	344,494
Dividends, interest and rents from investments	(993)	(1,103)
(Increase)/decrease in stocks	(618)	782
(Increase)/decrease in debtors	(128,219)	28,269
Increase/(decrease) in creditors	101,477	(180,373)
Capital grants from DfE and other capital income	(1,489,970)	(36,599)
Defined benefit pension scheme cost less contributions payable	401,000	187,000
Fixed assets transferred into the Trust	(4,576,615)	-
Pension liability transferred into the trust	43,000	-
Net cash provided by operating activities	719,223	192,123

27. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,898,332	1,011,795
Total	1,898,332	1,011,795

28. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2016.

Contributions amounting to £Nil were payable to the schemes at 31 August 2017 (2016 - 52,189) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £312,697 (2016 - £251,266).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £419,272 (2016 - £312,315), of which employer's contributions totalled £315,693 (2016 - £236,673) and employees' contributions totalled £103,579 (2016 - £75,642). The agreed contribution rates for future years are between 19.3% and 23.3% for employers and 5.5% - 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.

Principal actuarial assumptions:

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

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28. PENSION COMMITMENTS (continued)

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

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

Sensitivity analysis	At 31 August 2017	At 31 August 2016
	£	£
Discount rate +0.1%	147,000	117,000
Discount rate -0.1%	(151,000)	(120,000)
Mortality assumption - 1 year increase	221,000	152,000
Mortality assumption - 1 year decrease	(212,000)	(148,000)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equities	1,614,000	1,155,000
Gilts	154,000	61,000
Other bonds	96,000	76,000
Property	239,000	186,000
Cash	76,000	51,000
Alternative assets	188,000	75,000
Other managed funds	105,000	81,000
Total market value of assets	2,472,000	1,685,000

The actual return on scheme assets was £283,000 (2016 - £204,000).

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

	2017	2016
	£	£
Current service cost	(634,000)	(330,000)
Interest cost	(81,000)	(90,000)
Total	(715,000)	(420,000)
Actual return on scheme assets	283,000	204,000

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

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

	2017 £	2016 £
Opening defined benefit obligation	5,464,000	3,639,000
Transferred in on existing academies joining the trust	104,000	-
Current service cost	634,000	330,000
Interest cost	123,000	145,000
Employee contributions	99,000	76,000
Actuarial losses	177,000	1,381,000
Benefits paid	(28,000)	(107,000)
	<u>6,573,000</u>	<u>5,464,000</u>
Closing defined benefit obligation	<u>6,573,000</u>	<u>5,464,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,685,000	1,279,000
Transferred in on existing academies joining the trust	61,000	-
Interest income	42,000	55,000
Actuarial losses	299,000	149,000
Employer contributions	314,000	233,000
Employee contributions	99,000	76,000
Benefits paid	(28,000)	(107,000)
	<u>2,472,000</u>	<u>1,685,000</u>
Closing fair value of scheme assets	<u>2,472,000</u>	<u>1,685,000</u>

Actuarial gains and losses

	2017 £	2016 £
Change in financial assumptions	(196,000)	1,381,000
Change in demographic assumptions	33,000	-
Experience loss	340,000	-
Other actuarial gains/(losses)	(299,000)	(149,000)
	<u>(122,000)</u>	<u>1,232,000</u>
Total actuarial gains/(losses) on defined benefit pension schemes	<u>(122,000)</u>	<u>1,232,000</u>

Net pension asset

	2017 £	2016 £
Present value of the defined benefit obligation	(6,573,000)	(5,464,000)
Fair value of fund assets	2,472,000	1,685,000
	<u>(4,101,000)</u>	<u>(3,779,000)</u>
Total closing obligation	<u>(4,101,000)</u>	<u>(3,779,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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29. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	8,528	7,887
Between 1 and 5 years	4,870	8,623
After more than 5 years	7,116	-
Total	<u>20,514</u>	<u>16,510</u>

30. MEMBERS' LIABILITY

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

31. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the year:

During the year transactions for subscriptions and conference accommodation totalling £1,328 were made to Essex Special Schools Education Trust, a company of which several trustees were directors.

The Trust made the transactions in accordance with its financial regulations. In entering into the transactions the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

There were no amounts relating to the above outstanding at the year end.

32. POST BALANCE SHEET EVENTS

On 1st September 2017 Kingswode Hoe School converted to an Academy and joined the SEAX Trust.

On that date all the assets and liabilities of the school were transferred into the Trust. The existing valuation of the land and buildings was £3,280,000 and was made in 2012.

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33. TRANSFER OF EXISTING ACADEMIES INTO THE TRUST

Grove House School

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Long-term leasehold property	4,424,353	-	4,424,353
Fixtures and fittings	46,805	-	46,805
Computer equipment	105,457	-	105,457
Debtors due within one year	999,843	-	999,843
Cash in bank and in hand	230,887	-	230,887
Liabilities			
Creditors due within one year	(972,594)	-	(972,594)
Pensions			
Pensions - pension scheme liabilities	(43,000)	-	(43,000)
Net assets	<u>4,791,751</u>	<u>-</u>	<u>4,791,751</u>