

Registrar's Copy

SEAX TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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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 2018**

Members	Mark Ross Andrew Barton (resigned 11 July 2018) Andrew Hunter Ivor Moody John Revill Stanley Keller (appointed 11 September 2018)
Trustees	Ann-Marie Briggs, Chair (until October 2018) ^{2,4} Sally Davies OBE, Chief Executive & Accounting Officer ^{1,2} David Cottrell ^{1,4} Steven Hile (resigned 19 September 2017) ⁴ Angela Bradding ^{2,3} Sally Lockyer, Vice Chair (from October 18) ^{2,5} Andrew Hunter, Chair (from October 2018) ¹ Michael Southgate (resigned 11 July 2018) ^{2,5} Anthony Cox ¹ Roddy MacLeod (appointed 13 September 2017, resigned 6 November 2017) ² Steve Moore (appointed 13 September 2017) ² Sally Coode-Bate (appointed 13 September 2017) ^{1,6} <div style="margin-left: 40px;">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</div>
Company registered number	07747149
Company name	SEAX Trust
Principal and registered office	Thriftwood School Fox Crescent Chelmsford Essex CM1 2BN
Company secretary	Catherine Burnside
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 - resigned 31.08.18 Gary Corbett, Head of Langham Oaks School - appointed 01.09.18 Lisa Christodoulides, Head of Grove House School Elizabeth Drake, Head of Kingswode Hoe School Jackie Harper, Chief Financial Officer

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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 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a 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 are included in the Reference and administrative details on page 1.

SEAX Trust comprises 4 special academies and an outreach service:

Grove House School - Brentwood - capacity for 95 students in primary and secondary phase.

Kingswode Hoe School - Colchester - capacity for 135 students in primary and secondary phase.

Langham Oaks School - Langham near Colchester - capacity for 68 male students in primary, secondary and post 16 phase.

Thriftwood School and College - Galleywood and Chelmsford - capacity for 228 students in primary, secondary and post 16 phase.

LOOP - outreach provision for students unable to access education in school environments.

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.

From 1st September 2018 Trustees have joined the Essex County Council suite of insurance provisions, underwritten by Zurich Insurance.

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

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. SEAX Trust has also used the services of the Academy Ambassador Programme to assist in the recruitment process.

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/ Local Academy Committee 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 the National Governors Association and also utilises specialist trainers to provide courses for the whole of the Board and LACs.

New trustees link with an existing trustee who will mentor them through a period of 6 months induction. Final confirmation of Trustee status will be confirmed at the end of that period.

Trustee/ Local Academy Committee member training is a topic on the agenda for each meeting of the Board and LACs.

Trustees, Local Academy Committee 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 the requirement to meet at least 3 times per year, and usually meet at least twice per academic term. All decisions reserved to the trustees are taken by the board as a whole. In 2018/19 some decisions will be devolved down to trust committees. 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.

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

In addition, Local Academy Committees (LACs) have been established for the individual academies. Subsequent to the year end, an Interim Executive Committee has been set up at Langham Oaks School to support the new Headteacher in moving the school out of 'Requires Improvement' (Ofsted February 2018). Each LAC meets a minimum of 6 times each year. The IEC is planned to meet on a monthly basis.

The CEO/Executive Principal is the Accounting Officer for the Trust and has strategic responsibility for the Central Team, and the Senior Leadership Team. In 2018/19 The Trust intends to split the CEO role from Executive Principal role and to create a new post of Director of Academy Improvement, working at a strategic level across all trust schools and activities.

The CEO also chairs a Headteachers Group which meets regularly to discuss matters of importance to each of the academies, co-ordinating 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 Resources 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 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. The Headteachers have responsibility for establishing a SLT at their individual academies.

The SLT line-manage the individual academy's staff which includes teachers, and learning support assistants. 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 budget with three year financial forecast and asset management plan which is the responsibility of the CEO, Local Business Managers and Chief Financial Officer (CFO).

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 trust board.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Board of Trustees is responsible for establishing the annual Pay Policy and has specific responsibility for setting the remuneration of the Trust CEO and Executive Principal. In doing so, the Board uses 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 agreed current Teachers Pay and Conditions.

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h. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

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

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

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

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. 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. Every Essex special school contributes an annual subscription to ESSET to enable it to meet its stated aims of promoting and supporting special education in Essex. A Trustee was also a Director of ESSET up to 22nd September 2017. The SEAX Trust trustee receives no remuneration from ESSET.

The total value of expenditure for SEAX Trust on subscriptions was £3,992. This included annual subscriptions from each school, and attendance at the annual ESSET Conference for Headteachers.

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")."

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b. OBJECTIVES, STRATEGIES AND ACTIVITIES FOR ACHIEVING OBJECTIVES

In order to provide exceptional learning opportunities for students of The SEAX 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 SEAX 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 SEAX 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 The 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 Plans. The trust has four academies:

- 1. Thriftwood School and College, which is designated as a school for pupils with Moderate Learning difficulties and has approximately 225 pupils and students from KS2 to KS5. The School, which has pupils in the age-range 5 to 14, covering KS1-3 is located in Galleywood, Chelmsford. 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.
- 2. Langham Oaks School, located at Langham, near Colchester, has capacity for 68 pupils in the age range of 10 to 16 categorised as having social, emotional and mental health needs. There are currently 69 pupils on roll, with residential provision for 28 students within the overall total.
- 3. 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 90 pupils on roll. Grove House School caters for pupils with Speech and Language difficulties.
- 4. 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 131 pupils.
- 5. SEAX Trust also provides an outreach service to students who are either not on roll at a school, or who are on roll at a school, but need to be educated off-site. The LOOP service (Keeping Children in the Loop) works closely with Essex County Council as one of their outreach providers to deliver a bespoke alternative education to children identified either by ECC or by their school

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.

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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.

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.

Achievements and performance

Strategic report

a. KEY PERFORMANCE INDICATORS

Pupil Premium

School	Pupils on roll	Number of PPG students	Percentage of PPG	Amount received
Grove House School	76	16	21%	£22,958
Kingswode Hoe School	129	49	38%	£57,011
Langham Oaks School	69	48	70%	£48,712
Thriftwood School & College	220	47	21%	£49,683
Total across the trust	494	160	32%	£178,364

**taken from Dataset 18.02.18*

The national average for Pupil Premium students in special schools for 2017 was 44.2% primary students, and 51% secondary students.

Each school has a plan for the use of its PPG which will detail the provision, the cost and the expected impact of the provision. At the end of the year the outcomes are added to the plan. All schools use Pupil Premium in a more rounded way that will include students who would benefit from the interventions and resources provided, but who may not be a PPG student.

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School Population Table showing School Category and the Category of Students on Roll

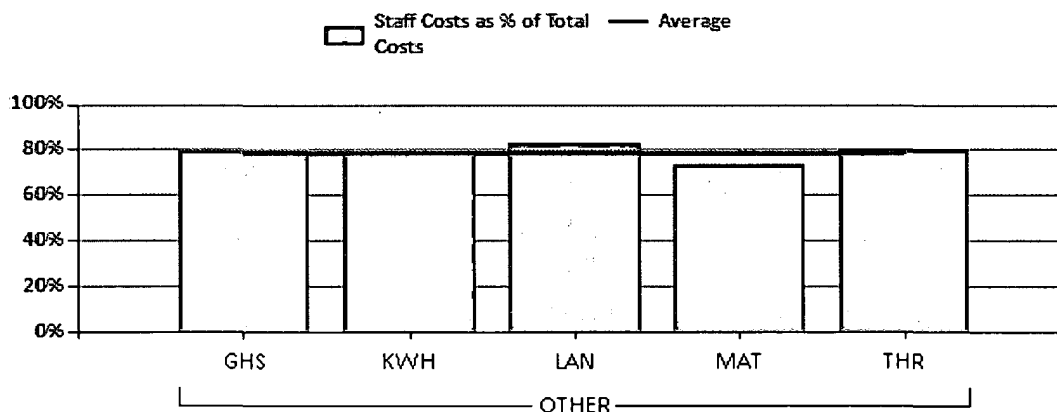
School/Type Students on roll	Grove House Speech, Language & Communication	Kingswode Hoe Moderate Learning Difficulties	Langham Oak Social, Emotional and Mental Health	Thriftwood Moderate Learning Difficulties
Moderate Learning	12%	58%	0%	97%
Severe Learning	0%	1.6%	0%	3%
Autistic Spectrum Disorder	53%	27.9%	1.44%	46%
Speech, Language and Communication	32%	7.7%	0%	50%
Social, Emotional and Mental health	29%	1.6%	98%	2%
Other	1%	3.1%	0%	8%

**taken from Dataset 18.02.18*

Where our students have more than one category of need this has been shown above. The percentage category that matches the school type has been shown in bold. All schools are challenged by the different needs of the pupils on roll. The table highlights the number of students who are on the autistic spectrum, and for whom our schools need to provide a different educational offer to match their needs.

School	% leavers going on to education or employment
Grove House School	100%
Kingswode Hoe School	100%
Langham Oaks School	78% (22% believed to be in work)
Thriftwood School & College	100%

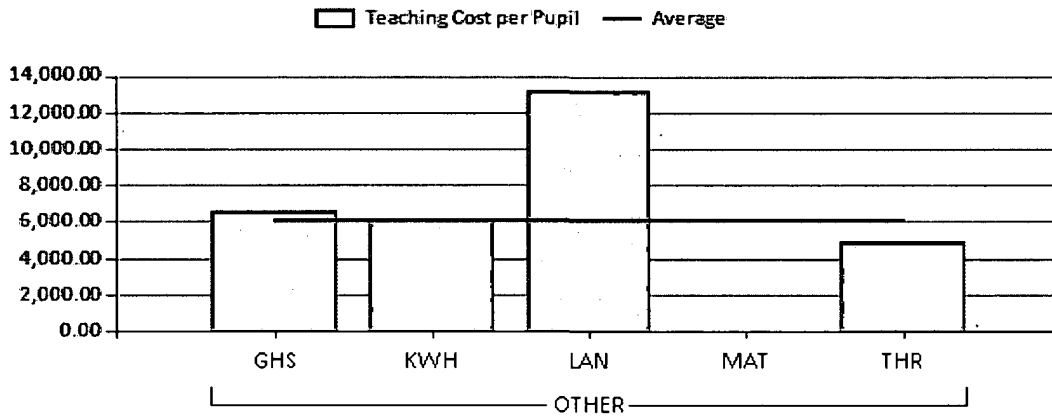
Staff Costs as % of Total Costs



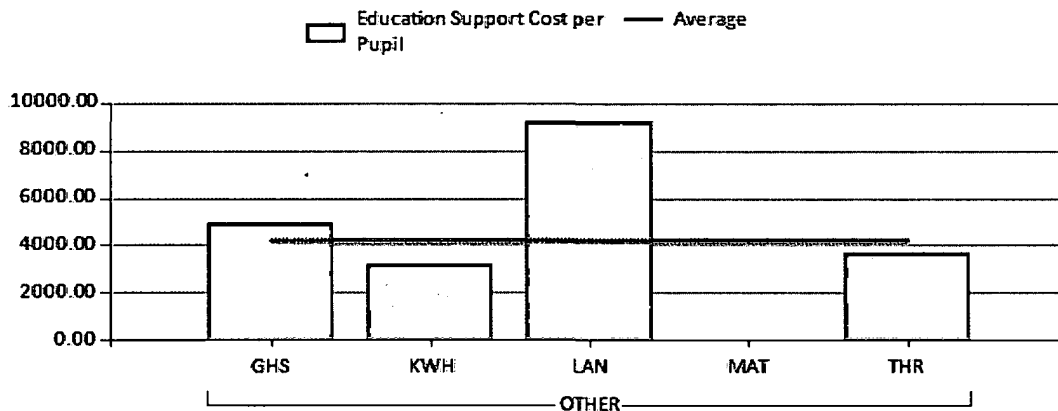
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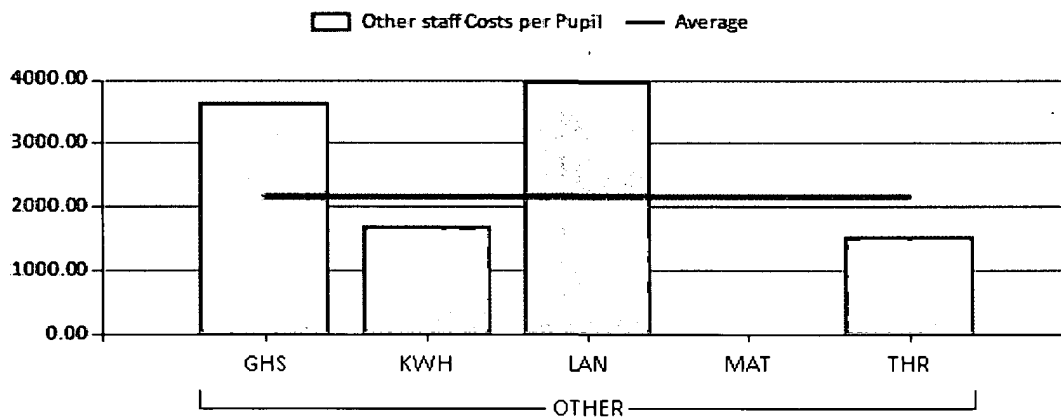
Teaching Cost per Pupil



Education Support Cost per Pupil



Other staff Costs per Pupil



Information taken directly from our finance software. The staffing requirement for special schools is provided by our Local Authority. There is clear evidence that our smallest school (Langham Oaks) has a far greater staffing spend per pupil as would be expected from an SEMH school. At 84% of budget for staffing, they have the highest expenditure for the lowest GAG.

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b. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the SEAX 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 Statement of Accounting Policies.

c. REVIEW OF ACTIVITIES

The Trust was delighted to welcome Kingswode Hoe School into the group when it converted to Academy status on 1st 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 continues to work with DfE and Essex County Council to provide a school in Chelmsford for students with complex autism needs. It is hoped this will open in 2020.

The SEAX Trust is fully staffed including significant increases in staff at Grove House as a growing school. 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.

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 Local Academy Committee Members.
- 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.

LOOP – formerly Langham Oaks Outreach Provision moved into the Trust central team in April 2018. LOOP is an outreach provision for pupils and students who are either not on roll at a school or who unable to access education at their school site. The service has grown rapidly this year and supports Essex County Council in providing an education to children in their care. This year we have also been working directly with schools to assist them in delivering an alternative curriculum to their more challenging students. The move to the central team has reduced the burden of leadership and management at Langham Oaks and also enabled us to grow our offer under the SEAX name.

Grove House School opened in September 2015 for students with Speech and Language needs. In common with all of our schools, they have also admitted students with complex learning needs and with ASD. They

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joined SEAX Trust in September 2016, bringing a new dimension to the schools groups, gaining and giving support to the partner schools. In summer 2018 they underwent their first full Ofsted inspection and received an overall grade of GOOD with outstanding for personal development, behaviour and welfare.

Inspectors specifically acknowledge that all staff know the students well, and the initial assessments on transition into school provide an excellent knowledge of the students current knowledge and ability *'Teachers and speech and language therapists work extremely well together... This was evident in the behaviour and high-quality social skills that inspectors observed during the inspection.'* Ofsted June 2018.

This year Grove House introduced the Duke of Edinburgh Bronze award. 9 students took part in a full programme of training and challenge. The expedition stage took place in the North Downs in June. All students were successful. This young peoples' award has greatly enhanced the opportunities for independence and resilience and will become a core part of the educational offer and Grove House.

2018 was also the first year that there were Year 11 students on roll, taking exams from entry level through to full GCSE. The school were very pleased with the results which were higher than predicted.

The further developed induction programme for new students and parents was well received and will be embedded into future years.

Kingswode Hoe School joined SEAX Trust on 1st September 2017 as a GOOD school in all inspections, the most recent in 2014. The Leadership Team at Kingswode Hoe is forward thinking and reaches out to all schools in the Trust, and within the Essex Special Schools Education Trust. Their contribution to SEAX Trust has been outstanding, including support to their nearest Trust neighbour, Langham Oaks. *'The highly effective senior leadership team has instilled the confidence of parents and created a strong commitment among staff to drive improvement forwards.'* Ofsted September 2014. They are working closely with Essex County Council to provide new teaching and learning facilities within their current site, to include new areas for technology and food tech. Work has already commenced (October 2018) with an expected end date in 2019.

The curriculum at Kingswode Hoe is rich and varied, tailored to the needs of each pupil. Students were entered for exams relevant to their learning. In addition, there is a strong emphasis on vocational courses, including Duke of Edinburgh and work-related learning. Many activities are off-site, including Forest Schools and work experience. Every year students across the years 7 to 10 have the opportunity to take part in residential activities; in Year 7 particularly, this is very often their first trip away from home. The focus is on fostering leadership and management skills and a level of independent living. Duke of Edinburgh students took part in a 3 day camp including pitching their own tents, orienteering, and cooking outdoors.

Students were also involved in the setting up of an Eco Committee with a target to improve awareness of current environmental issues, with an emphasis on the reduction of the use of plastic in school.

Langham Oaks School was graded OUTSTANDING during their residential Ofsted inspection in December 2017. There are places for 28 pupils to board at Langham Oaks from Monday through to Friday during term time. *'Children make outstanding progress because they board at this provision. Children who attend the residential provision are regularly high achievers at school, which further bolsters their self-esteem.'* Ofsted December 2017. They were graded as REQUIRES IMPROVEMENT in their school Ofsted Inspection in February 2018, with GOOD for personal development, behaviour and welfare. As a school for boys with social, emotional and behavioural issues this latter point was an achievement to be proud of, and the school is working hard, in conjunction with the Trust, to address the issues in the other areas of the inspection. *'All staff are committed to the development of 'the whole child'. As a result, pupils feel safe, well cared for and have trusting relationships with adults.'* Ofsted February 2018. Pupils at Langham Oaks have access to a full academic curriculum, with many vocational activities to develop their social skills, life skills and to transfer them to different situations. The site at Langham Oaks has large grounds which are ideal for Forest Schools – this is a key part of the curriculum for the year 6 boys in particular. Other on-site activities include Mountain Biking skills with an emphasis on maintenance of the equipment. The pupils at Langham Oaks also have many opportunities for education off-site including residential opportunities. A key part of their PE offer is Basketball. There are strong links with the National Basketball Association and one of the pupils this year was invited to join a league team in Ipswich.

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The horticultural offer has been very successful, with the students managing the planning and growing of produce. They sell their produce to local businesses where it is very well received by customers.

In September 2018 Gary Corbett joined Langham Oaks as their new Headteacher. Together with the SEAX Interim Executive Committee, their own Local Academy Committee and the Leadership Team, a detailed post Ofsted Action Plan has been drawn up and is monitored regularly. Key areas regarding Pupil Premium have been addressed. Staff from the SEAX Central Team are working with the English Department to further develop this area, and the Leadership Team at Kingswode Hoe have been supporting the further development and improvement of the Teaching and Learning Policy at Langham.

The trust wide approach to supporting Langham Oaks by all at SEAX has been very encouraging. Gary also has the full support of the whole school community at Langham Oaks and the atmosphere is positive and vibrant. We are confident of their ability to grow and mature as a team.

Thriftwood School and College was graded OUTSTANDING during their Ofsted inspection in September 2017. During the year they undertook a comprehensive review of their staffing structure, introducing a Deputy Head role at each of their sites, and restructuring of senior management teams. New posts were introduced to enhance the provision of a 'learning for life' curriculum, focussing on skills to promote independence in student's lives and working environments. Other posts were made redundant. Academic exams are offered to relevant pupils and students. A personal learning programme includes academic, social and physical targets for every pupil and student. A large part of the curriculum is off-site across all ages and key stages on an almost daily basis. These range from a walk to the local market to purchase small items (to develop road safety, self-awareness, social interaction, use of money etc) to 4 night residential visits to Derbyshire, often the first time the student has been so far away from home. Students learn resilience in living away from the comforts of home, and to work together as teams to solve problems and to manage risk. A key success of Thriftwood is the transition between school and college *'Leaders have worked tirelessly to achieve a smooth transition between the school and college...This ensures that no learning time is lost, and pupils make the transition without becoming worried.'* Ofsted 2017.

At the Leavers' Assembly in summer 2018, one student who had joined Thriftwood with severe anxiety issues, stood up and addressed the entire school community including staff, students, parents and friends. He said *'by coming to Thriftwood I have learned that I am not defined by my disability... I am enhanced by it.'*

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

- The SEAX Trust continues to work in partnership with ECC to manage and support hubs at selected mainstream schools to support children with SEN.
- SEAX Schools have links with the RotaryTable 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 LOOP Outreach Services to create bespoke packages for pupils with specific needs
- 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 Trust 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.

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

The Trust'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 £1,084,073 (2017: £645,176). 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 £1,225,898 (2017: £1,059,390). 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 £4,554,000 (2017: £4,101,000) 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) continues to meet regularly with ECC regarding SEN funding. Prudent budgets have been set whilst the uncertainty regarding ECC SEN funding remains during the first year of roll-out, 2018/19.
- (e) During 2013, The SEAX Trust negotiated a 123 year lease from Essex County Council of a suitable building 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/repair and water tightness will be submitted in December 2018.

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

- (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. The PSBP2 Project is now well developed and planning permission requests have been submitted to Colchester Borough Council. It is anticipated that work will commence in May 2019. Detailed plans for management of the school during the building phase are in progress.
- (g) In September 2016 Grove House school joined SEAX Trust having opened in September 2015. There were a significant number of building works still in progress. These are now complete. The risk of loss of broadband and telephony has been mitigated with the installation of a dedicated fibre optic line into the school. This will enable their servers to be separated from their neighbouring school.
- (h) In September 2017 Kingswode Hoe joined SEAX Trust as a converter academy. A full scheme of due diligence was completed and any risks added to the risk register. The SEAX Central Team have worked closely with the school Leadership Team during the year to enable a smooth transition. The Local Academy Committee has been supported, and is very supportive of the school and the Trust.
- (i) The Hawthorns School was originally planned to open in September 2018. It is now hoped that it will open in September 2020 and Trustees are closely monitoring the development of this project and the possible impact to Trust resources regarding the delays.
- (j) 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.
- (k) 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.
- (l) 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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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 including

- Pupil Premium
- PE Sports Grant
- Year 7 Catch-up

SEAX Trust also receives funding from Essex LA to provide a Hub Service to Autism units in primary and secondary schools in mid-Essex.

Each of the foregoing grants is "restricted" to particular purposes for the running of The Trust and providing services in accordance with the schools objectives. During the year to 31 August 2018, the revenue grants received were £8,458,227 (less inherited pension liability) (2017: £6,194,372) 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 £23,597,187 (2017: £20,584,228) of which £22,513,114 (2017: £19,939,052) was classified as restricted and £1,084,073 (2017: £645,176) 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. In 2018 these grants amounted to £271,157 (2017: £16,303).

At 31 August 2018 the net assets of The SEAX Trust were £23,597,187 (2017: £20,584,228). 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 £3,012,959 (2017 surplus of £6,004,870) in the year to 31 August 2018, 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 Kingswode Hoe School, the surplus/deficit was £664,110.

Fundraising

SEAX Trust has a responsibility to ensure that all fund-raising activities

- Are planned effectively. There is an agreed plan which takes account of risks, our values and our relationship with donors and the wider community
- Have clear paths of accountability. Systems are in place at each site for the monitoring of in-house and external fund raising activities to ensure that they are in the best interest of SEAX Trust and comply with any standards that apply
- Protect our reputation, our money and our assets. Robust systems are in place to protect all of our schools from the risk of loss or fraud
- Comply with any laws or regulations that apply to SEAX Trust and to the type of fundraising activity being undertaken
- Adhere to the Fundraising Regulator's Code of Fundraising Practice
- Are open and accountable.

SEAX Trust recognises that grants and donations provide a valuable resource to its schools. Schools are aware that restricted donations/grants can only be spent on restricted activities. Clear and transparent reporting within the financial software system is required to separate out all grant and donation income for the purposes

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

of monitoring and audit function.

The day to day management of fund-raising is delegated to schools.

Most fund raising activities are undertaken by the schools' 'Friends and Family Associations'. They are separate charities who raise money for their individual school. They are registered with the Charity Commission and must comply with their rules and regulations.

This often takes the form of bids to charities, public bodies and other foundations who provide grants for specific purposes. These grants usually require a monitoring return to confirm that the grant has been spent for the purpose it was given.

Donations are also received from individuals for specific educational purposes and from groups or other organisations that support a particular school. These can be in the form of goods or services as well as monetary gifts.

SEAX Trust has a policy on the giving and receiving of gifts and hospitality which clearly states procedures to be followed when a gift is received, or is given. A register is kept and provided to auditors each year. Nil returns are required where no gifts have been given or received.

There are grievance policies for staff, and complaints policies for other stakeholders which give advice on how to raise a concern regarding a person or school.

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 Kingswode Hoe School into the Trust in September 2017. As numbers increase, there is continuous monitoring and review to ensure the best possible educational provision for all students of the SEAX Trust. The Headteachers Group, established under the CEO and Executive Principal, continues 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.

Trustees recognise that this year we have hit a 'critical mass' with the addition of Kingswode Hoe School, and the continued plans for the provision of a brand new school for pupils with complex autism.

The SEAX Trust has decided to split the role of CEO/Executive Principal into two separate posts. They appointed a Director of Academy Improvement, (after the balance sheet date) whose role will be to challenge and support the leaders of all of the schools in SEAX Trust as they continue to provide excellent learning environments for their students.

The Trust continues to work closely with DfE, ESFA, Essex County Council and ESSET Trust to establish The Hawthorns School for children with complex autism needs. This project is much needed and supported by Essex County Council.

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

The Trust continues to support the provision of educational support to students who are not on roll at a school, or who are unable to attend their named school. LOOP Outreach is now part of the SEAX central offer and has good links with Essex County Council, and Essex schools.

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.

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 2018 the trust received and distributes amounts from the fund as detailed in note 24 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
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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 5 December 2018 and signed on its behalf by:


Andrew Hunter
Chair of Trustees


Sally Davies OBE
Accounting Officer

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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 8 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 (until October 2018)	7	8
Sally Davies OBE, Chief Executive & Accounting Officer	8	8
David Cottrell	6	8
Steven Hile	0	1
Angela Bradding	5	8
Sally Lockyer, Vice Chair (from October 18)	8	8
Andrew Hunter, Chair (from October 2018)	7	8
Michael Southgate	4	7
Anthony Cox	8	8
Roddy MacLeod	1	2
Steve Moore	6	8
Sally Coode-Bate	6	8

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	0	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 5 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Andrew Hunter	5	5
David Cottrell	4	5
Sally Davies OBE	5	5
Anthony Cox	3	5
Roddy MacLeod	1	1

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GOVERNANCE STATEMENT (continued)

The Curriculum and Standards Committee is also a sub-committee of the main board of trustees. It met 5 times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Michael Southgate	4	5
Sally Davies	5	5
Ann-Marie Briggs	3	5
Steve Moore	3	5
Angela Bradding	2	3
Sally Lockyer	5	5

The Local Academy Committee for Thriftwood School and College met 6 times during the year.

Attendance at meetings in the year was as follows:

LAC Member	Meetings attended	Out of a possible
Ann-Marie Briggs	5	6
David Cottrell	5	6
Steven Hile	6	6
Shaun Laundon	2	6
Georgina Pryke	6	6
Nigel Rothwell	5	6
Peter Dervin	6	6
Elizabeth Smart	6	6
Claire Smith	5	6

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

Attendance at meetings in the year was as follows:

LAC Member	Meetings attended	Out of a possible
Angela Bradding	5	6
Jenny Baldry	6	6
Stephen Wiper	6	6
Emma Paramor	6	6
Alex Drennan	6	6
Jaqueline Daldry	5	5
Anne Hazell	2	6

The Local Academy Committee for Grove House School met 6 times during the year.

Attendance at meetings in the year was as follows:

LAC Member	Meetings attended	Out of a possible
Sally Lockyer	6	6
Timothy O'Hara	6	6
Lisa Christodoulides	6	6
Lesley Howes	3	4
Andrea Musk	6	6
Linda Newton	2	6
Tamsin Owens	4	5
Melanie Willson	6	6

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GOVERNANCE STATEMENT (continued)

The Local Academy Committee for Kingswode Hoe met 6 times during the year.

Attendance at meetings in the year was as follows:

LAC Member	Meetings attended	Out of a possible
Sally Coode-Bate	5	7
Elizabeth Drake	7	7
Alice Constantine	4	7
Anna Mears	3	6
Helen Davey	3	7
Jill James	5	7
Malcolm Over	7	7
Sandra Page	6	7
David Feakin	1	2

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 again this year with Kingswode Hoe joining the Trust on 1st September 2017 as an academy converter. The Principal has developed strong links with the trust central team and the Headteachers Group.

A strong relationship with Langham Oaks (its closest trust neighbour) is being forged, with collaboration between staff in a number of areas including curriculum and policy development.

SEAX Trust has 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.

The ICT Manager for the Trust has further developed links with the ICT support at the schools. This team is beginning to work in a cross-trust format. An excellent outcome of this partnership is the move from independent IT platforms to a consolidated platform where all schools are able to communicate more effectively and share resources and ideas. This has been a fundamental part of our approach to GDPR and the safe sharing of data between our schools. We have appointed a new provider for broadband provision to all sites for the next three years. In the schools where it has already been implemented there has been a vast improvement to connection speeds, which has benefitted the entire school community.

An in-depth review of insurance provision and costs for all schools and the trust was completed during the spring. Costs and provisions were benchmarked between RPA and a new provider. Following a period of negotiation between the new provider and SEAX Trust a solution was offered that covered all insurance risks including trustees' indemnities, with a cost saving of approximately £10,000 across the trust. Savings have been made through the cancellation of smaller insurance policies which were not covered by RPA, cancellation of inspection contracts for equipment (now included in the premium) and the cancellation of vehicle insurance which is now also covered within the single premium.

The trust has played a pivotal role in the preparation for GDPR. Central staff received training in the new responsibilities and requirements. A Working Party was convened with representation from all schools. A full audit was completed of current processes which required systems checks. New policies and procedures were provided, forms and letters were updated. A training programme for Trustees, LAC members and staff was delivered at all sites. An external company was commissioned to complete a full audit of GDPR compliance at all schools and an Action Plan has been implemented. GDPR continues to be a key focus of the trust.

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GOVERNANCE STATEMENT (continued)

Training in finance and HR continues to be offered by the central team. All DfE required consolidated returns are completed by central trust staff.

The school's individual contracts for gas and electricity have been consolidated into one SEAX Trust contract. Although our fuel costs have increased through market conditions, we have mitigated even higher costs by increasing our bulk purchasing ability.

Grove House School – has achieved economies of scale for its staff absence insurance. Both costs to the school and benefits for staff are improved

Kingswode Hoe School – Purchase of print management system to monitor use and re-education staff re printing with a view to reducing costs and wastage. An Eco Committee to include staff and pupils has been set up to improve awareness of environmental issues with a focus on the reduction of reliance on plastics at school. A Senso Management Tool has been purchased to monitor staff and pupil use of internet for improved safeguarding compliance.

Langham Oaks School – The outdoor learning environment has been improved, with an extension to the gym trail. This offers wider range of challenge and fun activities to help pupils engage with each other and improve their communication. Substantial renovations in the residential bathrooms have been completed using a local company who gave the school a much improved quotation as part of their community service provision.

Thriftwood School and College – Implemented print management system at the beginning of the year and have made savings of approximately £1,500. This information was shared with Kingswode Hoe School (see above). A review of prices amongst the top 3 companies used for classroom resources and furniture has resulted in an increased use of one company. This has also brought about considerable savings throughout the year.

Development of Best Value in the future

In the next year the Trust plans to:

- Develop and increase the senior leadership at Trust Level by splitting the role of Executive Principal/CEO. The trust has already appointed a Director of Academy Improvement (post balance sheet) and is in the process of planning a new separate CEO post
- Move into an annexe of Thriftwood College to enable us to begin to plan for centralisation of back-office services
- Further, develop and expand our LOOP outreach provision for students not able to be educated in schools. This service was brought into the central team in April 2018 with a view to growing the offer
- Support Langham Oaks School in the development of its new buildings through the PSBP2 Programme. Building is expected to commence in the spring of 2019
- Continue to work closely with ECC who have now received approval to self-deliver the new Hawthorns ASD School for SEAX Trust
- 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of 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 2017 to 31 August 2018 and up to the date of

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GOVERNANCE STATEMENT (continued)

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 auditor reports to the board of trustees through the audit committee on the 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 5 December 2018 and signed on their behalf, by:


Andrew Hunter
Chair of Trustees


Sally Davies OBE
Accounting Officer

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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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of 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 2017.

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



Sally Davies OBE
Accounting Officer

Date: 5 December 2018

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

The Trustees (who 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 & 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 2017 to 2018;
- 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 5 December 2018 and signed on its behalf by:



Andrew Hunter
Chair of Trustees

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

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

SEAX TRUST
(A company limited by guarantee)

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

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 the financial year 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (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 or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

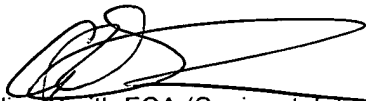
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Clive Smith FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants
Registered Auditors

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

SEAX TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated May 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SEAX Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy'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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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



MWS

Chartered Accountants
Reporting Accountant

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

5 December 2018

SEAX TRUST
(A company limited by guarantee)

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

	Note	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	3	(855,000)	3,420,016	152,280	2,717,296	6,317,044
Charitable activities:	6					
Academies' educational operations		7,761,558	-	-	7,761,558	5,606,872
Boarding		696,669	-	-	696,669	587,500
Other trading activities	4	-	-	564,563	564,563	468,436
Investments	5	-	-	1,198	1,198	992
TOTAL INCOME		7,603,227	3,420,016	718,041	11,741,284	12,980,844
EXPENDITURE ON:						
Charitable activities:						
Academies educational operations		8,439,138	651,016	77,129	9,167,283	6,546,433
Provision of boarding activities		554,042	-	-	554,042	551,541
TOTAL EXPENDITURE	9	8,993,180	651,016	77,129	9,721,325	7,097,974
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(1,389,953)	2,769,000	640,912	2,019,959	5,882,870
Transfers between Funds	25	50,707	151,308	(202,015)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(1,339,246)	2,920,308	438,897	2,019,959	5,882,870
Actuarial gains on defined benefit pension schemes	30	993,000	-	-	993,000	122,000
NET MOVEMENT IN FUNDS		(346,246)	2,920,308	438,897	3,012,959	6,004,870
RECONCILIATION OF FUNDS:						
Total funds brought forward		(2,981,856)	22,920,908	645,176	20,584,228	14,579,358
TOTAL FUNDS CARRIED FORWARD		(3,328,102)	25,841,216	1,084,073	23,597,187	20,584,228

SEAX TRUST
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REGISTERED NUMBER: 07747149

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	20		25,834,101		22,920,909
CURRENT ASSETS					
Stocks	21	3,013		1,645	
Debtors	22	249,760		235,024	
Cash at bank and in hand		2,389,429		1,898,332	
		<u>2,642,202</u>		<u>2,135,001</u>	
CREDITORS: amounts falling due within one year	23	(325,116)		(370,682)	
NET CURRENT ASSETS			<u>2,317,086</u>		<u>1,764,319</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>28,151,187</u>		<u>24,685,228</u>
Defined benefit pension scheme liability	30		<u>(4,554,000)</u>		<u>(4,101,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>23,597,187</u></u>		<u><u>20,584,228</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	25	1,225,898		1,119,144	
Restricted fixed asset funds	25	25,841,216		22,920,908	
Restricted income funds excluding pension liability		<u>27,067,114</u>		<u>24,040,052</u>	
Pension reserve		<u>(4,554,000)</u>		<u>(4,101,000)</u>	
Total restricted income funds			<u>22,513,114</u>		<u>19,939,052</u>
Unrestricted funds	25		<u>1,084,073</u>		<u>645,176</u>
TOTAL FUNDS			<u><u>23,597,187</u></u>		<u><u>20,584,228</u></u>

The financial statements on pages 31 to 63 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:


Andrew Hunter
Chair of Trustees


Sally Davies OBE
Accounting Officer

SEAX TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	27	<u>642,316</u>	<u>719,224</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,198	992
Purchase of tangible fixed assets		(423,574)	(1,323,649)
Capital grants from DfE Group		271,157	1,485,670
Asset donated to the Trust		-	4,300
Net cash (used in)/provided by investing activities		<u>(151,219)</u>	<u>167,313</u>
Change in cash and cash equivalents in the year		491,097	886,537
Cash and cash equivalents brought forward		<u>1,898,332</u>	<u>1,011,795</u>
Cash and cash equivalents carried forward		<u><u>2,389,429</u></u>	<u><u>1,898,332</u></u>

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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 funders where the asset acquired or created is held for a specific purpose.

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

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

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy 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.

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

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.

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

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.
Furniture and equipment	-	20% p.a.
Motor vehicles	-	20% p.a.
Computer equipment	-	33% p.a.

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

1.8 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 2018

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 22. 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 23. 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.

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

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 30, 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 2018

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 30, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

SEAX TRUST
(A company limited by guarantee)

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other donations	-	-	97,290	97,290	35,324
Donations for fixed assets	-	-	-	-	4,300
Government grants - assets inherited on transfer/conversion	(855,000)	3,148,859	54,990	2,348,849	4,791,751
Capital grants	-	271,157	-	271,157	1,485,669
	(855,000)	3,420,016	152,280	2,717,296	6,317,044
<i>Total 2017</i>	<i>201,630</i>	<i>6,066,585</i>	<i>48,829</i>	<i>6,317,044</i>	

4. OTHER TRADING ACTIVITIES

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Business enterprise activities	-	10,670	10,670	22,725
Hire of facilities	-	31,332	31,332	26,950
School sales	-	399,598	399,598	344,344
Catering income	-	65,278	65,278	50,782
Educational visits	-	57,685	57,685	23,635
	-	564,563	564,563	468,436
<i>Total 2017</i>	<i>-</i>	<i>468,436</i>	<i>468,436</i>	

5. INVESTMENT INCOME

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	-	1,198	1,198	992
<i>Total 2017</i>	<i>-</i>	<i>992</i>	<i>992</i>	

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

6. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational Operations	7,761,558	-	7,761,558	5,606,872
Provision of Boarding	696,669	-	696,669	587,500
	<u>8,458,227</u>	<u>-</u>	<u>8,458,227</u>	<u>6,194,372</u>
<i>Total 2017</i>	<u>6,194,371</u>	<u>-</u>	<u>6,194,371</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	5,237,430	-	5,237,430	3,640,235
Start Up Grants	74,000	-	74,000	142,375
Other DfE/ESFA grants	299,049	-	299,049	154,038
	<u>5,610,479</u>	<u>-</u>	<u>5,610,479</u>	<u>3,936,648</u>
Other government grants				
Local authority grants	2,151,079	-	2,151,079	1,670,224
	<u>2,151,079</u>	<u>-</u>	<u>2,151,079</u>	<u>1,670,224</u>
	<u>7,761,558</u>	<u>-</u>	<u>7,761,558</u>	<u>5,606,872</u>
<i>Total 2017</i>	<u>5,606,871</u>	<u>-</u>	<u>5,606,871</u>	

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7. DIRECT COSTS

	Educational Operations £	Provision of Boarding £	Total 2018 £	Total 2017 £
Technology costs	29,645	-	29,645	11,200
Educational supplies	224,105	-	224,105	117,783
Examination fees	16,050	-	16,050	6,983
Staff development	24,645	1,109	25,754	9,796
Educational consultancy	28,232	-	28,232	18,500
Other direct costs	4,022	-	4,022	2,774
Rent and rates	21,315	-	21,315	-
Catering	176	-	176	-
Legal and professional fees	34,753	-	34,753	110,637
Other support costs	818	-	818	-
Wages and salaries	4,199,944	363,714	4,563,658	3,297,298
National insurance	373,624	24,880	398,504	300,451
Pension cost	437,894	-	437,894	312,893
	5,395,223	389,703	5,784,926	4,188,315
<i>Total 2017</i>	<i>3,796,323</i>	<i>391,993</i>	<i>4,188,316</i>	

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8. SUPPORT COSTS

	Educational Operations £	Provision of Boarding £	Total 2018 £	Total 2017 £
Pension income	123,000	-	123,000	81,000
Technology costs	76,166	-	76,166	31,603
Staff development	31,643	-	31,643	10,918
Maintenance of premises	297,897	17,127	315,024	200,980
Cleaning	71,390	2,112	73,502	36,103
Rent and rates	20,098	-	20,098	19,931
Energy costs	115,788	11,527	127,315	102,679
Insurance	29,659	-	29,659	21,146
Security and transport	70,824	2,892	73,716	30,883
Catering	65,734	16,028	81,762	82,381
Bank interest and charges	793	-	793	370
Indirect staff costs	6,300	-	6,300	3,108
Legal and professional fees	137,664	-	137,664	247,428
Other support costs	22,311	9,256	31,567	46,282
PPS & telephone	52,787	-	52,787	32,877
Governance costs	16,000	-	16,000	19,455
Wages and salaries	996,779	100,244	1,097,023	783,517
National insurance	30,075	5,152	35,227	38,234
Pension cost	956,137	-	956,137	633,472
Depreciation	651,016	-	651,016	487,292
	<u>3,772,061</u>	<u>164,338</u>	<u>3,936,399</u>	<u>2,909,659</u>
<i>Total 2017</i>	<u>2,750,110</u>	<u>159,548</u>	<u>2,909,658</u>	

9. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations:					
Direct costs	5,011,462	-	383,761	5,395,223	3,796,323
Support costs	1,982,990	1,185,848	603,223	3,772,061	2,750,110
Provision of Boarding:					
Direct costs	388,594	-	1,109	389,703	391,993
Support costs	105,397	30,766	28,175	164,338	159,548
	<u>7,488,443</u>	<u>1,216,614</u>	<u>1,016,268</u>	<u>9,721,325</u>	<u>7,097,974</u>
<i>Total 2017</i>	<u>5,365,864</u>	<u>868,131</u>	<u>863,979</u>	<u>7,097,974</u>	

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10. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations	5,395,223	3,772,061	9,167,284	6,546,433
Boarding	389,703	164,338	554,041	551,541
Total 2018	<u>5,784,926</u>	<u>3,936,399</u>	<u>9,721,325</u>	<u>7,097,974</u>
Total 2017	<u>4,188,316</u>	<u>2,909,658</u>	<u>7,097,974</u>	

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	650,982	487,292
Operating lease rentals	31,121	17,628
Auditors' remuneration	16,000	15,000
	<u>708,103</u>	<u>529,920</u>

12. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an audit fee of £16,000 (2017 - £15,000).

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13. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,514,721	3,977,141
Social security costs	433,731	338,685
Operating costs of defined benefit pension schemes	1,394,031	946,365
	<u>7,342,483</u>	<u>5,262,191</u>
Agency staff costs	133,083	101,263
Apprenticeship levy	12,877	2,410
	<u><u>7,488,443</u></u>	<u><u>5,365,864</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Management	10	7
Teachers	63	46
Admin and support	173	138
	<u>246</u>	<u>191</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff members amounted to £55,760 (2017: £36,345)

d. Key management personnel

During the year the Academy Trust paid a total of £510,807 (2017: £389,084) for employee pay and benefits to its key management personnel. Of this figure £437,360 (2017: £338,037) related to pay and £73,447 (2017: £51,047) related to employer's pension contributions.

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14. 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:

	2018 £	2017 £
Thriftwood Academy - Central services	134,572	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	93,973	95,284
Grove House School - Central services	70,922	48,934
Kingswode Hoe School - Central services	77,840	-
Langham Oaks School - LOOP services	8,745	-
	<u>386,052</u>	<u>405,353</u>
Total		

15. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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:

		2018 £	2017 £
Sally Davies	Remuneration	50,000-55,000	55,000 - 60,000
	Pension contributions paid	5,000-10,000	5,000 - 10,000
Emma Paramor (until resignation)	Remuneration	-	25,000 - 30,000
	Pension contributions paid	-	0 - 5,000
Lisa Christodoulides (until resignation)	Remuneration	-	20,000 - 25,000
	Pension contributions paid	-	0 - 5,000

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

During the year ended 31 August 2018, expenses totalling £426 (2017 - £NIL) were reimbursed to 3 Trustees (2017 - 0).

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

16. 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.

17. OTHER FINANCE INCOME

	2018	2017
	£	£
Interest on pension scheme liabilities	(123,000)	(81,000)

18. TRANSFERS BETWEEN FUNDS

Funds have been transferred in respect of the following:

£202,014 has been transferred from the unrestricted fund to the restricted general fund representing expenditure made out of unrestricted funds.

£181,833 has been transferred from the restricted general fund to the restricted fixed asset fund representing capital expenditure out of restricted funds.

£137,000 has been transferred between the restricted general fund and the restricted boarding fund representing the boarding fund's share of the LGPS pension charge.

£48,282 has been transferred from the restricted GAG fund to the restricted fund for revenue projects representing GAG income used to fund revenue projects for which ESFA capital funding was received.

£30,525 has been transferred from the restricted fixed asset fund to the restricted fund representing the value of assets repurchased after an insurance claim.

£1,570 has been transferred between restricted fixed asset funds representing devolved formula capital contributing towards capital works funded by other grants.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. ACADEMY BOARDING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
Income				
Grants		696,669		587,500
Expenditure				
Direct Costs				
Staff costs	388,595		387,294	
Other direct costs	1,108		4,699	
		(389,703)		(391,993)
Support Costs				
Staff costs	105,397		103,231	
Maintenance of premises	17,127		10,524	
Cleaning	2,112		1,787	
Rent and rates	-		296	
Energy costs	11,527		12,218	
Catering	16,028		23,803	
Security and transport	2,892		1,609	
Other support costs	9,256		6,080	
		(164,339)		(159,548)
Total Operating Costs		(554,042)		(551,541)
Surplus/(deficit) on boarding		142,627		35,959
Transfer of amount to restricted GAG fund to cover proportion of LGPS service charge		(137,000)		(121,800)
Transfer of unrestricted funds used to fund boarding		-		85,841
Surplus/(deficit) on boarding carried forward at 31 August 2018		5,627		-

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20. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2017	23,506,416	424,434	44,140	300,527	24,275,517
Additions	3,350,379	171,472	-	42,324	3,564,175
At 31 August 2018	26,856,795	595,906	44,140	342,851	27,839,692
Depreciation					
At 1 September 2017	1,013,948	163,920	35,698	141,042	1,354,608
Charge for the year	439,696	100,696	5,628	104,963	650,983
At 31 August 2018	1,453,644	264,616	41,326	246,005	2,005,591
Net book value					
At 31 August 2018	25,403,151	331,290	2,814	96,846	25,834,101
At 31 August 2017	22,492,468	260,514	8,442	159,485	22,920,909

21. STOCKS

	2018 £	2017 £
Catering and uniform stock	3,013	1,645

22. DEBTORS

	2018 £	2017 £
Trade debtors	70,754	57,380
VAT repayable	25,539	27,685
Other debtors	84,523	103,519
Prepayments and accrued income	68,944	46,440
	249,760	235,024

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**NOTES TO THE FINANCIAL STATEMENTS
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23. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	149,257	92,926
Other taxation and social security	114,826	84,868
Other creditors	39,379	185,731
Accruals and deferred income	21,654	7,157
	<u>325,116</u>	<u>370,682</u>
	2018 £	2017 £
Deferred income		
Resources deferred during the year	1,897	-
Deferred income at 31 August 2018	<u>1,897</u>	<u>-</u>

Money was deferred during the year as follows:

Money for school dinners £1,387
Funding for a bus pass £510

24. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £10,164 (2017: £10,164) and disbursed £14,607 (2017: £8,197) from the fund. An amount of £2,535 (2017: £6,978) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

25. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted	642,359	716,103	(76,963)	(202,015)	-	1,079,484
Business & Enterprise	2,817	1,938	(166)	-	-	4,589
	<u>645,176</u>	<u>718,041</u>	<u>(77,129)</u>	<u>(202,015)</u>	<u>-</u>	<u>1,084,073</u>

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

Restricted funds

GAG and Top Up	855,214	7,272,827	(7,306,503)	139,425	-	960,963
Other DfE/ESFA grants	8,190	117,613	(117,560)	-	-	8,243
Pupil premium	800	220,262	(184,010)	-	-	37,052
Start up grant	59,443	74,000	(49,000)	-	-	84,443
Autism Hub	46,570	75,000	-	-	-	121,570
ESFA MAT growth grant	60,000	-	(60,000)	-	-	-
ESFA pre opening grant	30,000	-	(22,000)	-	-	8,000
Other grants	-	1,856	(1,856)	-	-	-
Boarding	-	696,669	(554,042)	(137,000)	-	5,627
Revenue projects	58,927	-	(107,209)	48,282	-	-
Pension reserve	(4,101,000)	(855,000)	(591,000)	-	993,000	(4,554,000)
	<u>(2,981,856)</u>	<u>7,603,227</u>	<u>(8,993,180)</u>	<u>50,707</u>	<u>993,000</u>	<u>(3,328,102)</u>

Restricted fixed asset funds

Capital expenditure from						
GAG	556,736	-	(57,709)	181,833	-	680,860
DfE/ESFA capital grants	5,716,001	99,383	(232,422)	(32,095)	-	5,550,867
Local Authority grants	287,175	-	(20,041)	1,570	-	268,704
Assets donated from						
Local Authority	6,042,933	-	(87,298)	-	-	5,955,635
Inherited fixed assets	10,291,019	3,140,633	(234,597)	-	-	13,197,055
Other fixed asset						
donations	17,219	-	(8,405)	-	-	8,814
Gifted fixed assets	6,135	-	(2,863)	-	-	3,272
Capital expenditure from						
boarding fund	3,690	-	(1,381)	-	-	2,309
Assets paid for directly by						
ESFA	-	180,000	(6,300)	-	-	173,700
	<u>22,920,908</u>	<u>3,420,016</u>	<u>(651,016)</u>	<u>151,308</u>	<u>-</u>	<u>25,841,216</u>
Total restricted funds	<u>19,939,052</u>	<u>11,023,243</u>	<u>(9,644,196)</u>	<u>202,015</u>	<u>993,000</u>	<u>22,513,114</u>
Total of funds	<u>20,584,228</u>	<u>11,741,284</u>	<u>(9,721,325)</u>	<u>-</u>	<u>993,000</u>	<u>23,597,187</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 received from Essex County Council as a contribution towards the cost of the trust's revenue expenditure.

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25. STATEMENT OF FUNDS (continued)

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 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Thriftwood Academy	1,021,021	885,978
Langham Oaks School	445,491	372,441
Grove House	419,625	313,452
Kingswode Hoe	140,608	-
Central	283,226	192,446
Total before fixed asset fund and pension reserve	2,309,971	1,764,317
Restricted fixed asset fund	25,841,216	22,920,908
Pension reserve	(4,554,000)	(4,101,000)
Total	23,597,187	20,584,225

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**NOTES TO THE FINANCIAL STATEMENTS
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25. 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 2018 £	Total 2017 £
Thriftwood Academy	1,804,974	456,772	77,531	495,333	2,834,610	2,967,013
Langham Oaks School	1,066,468	377,507	43,811	213,975	1,701,761	1,793,969
Langham Oaks School - Boarding	388,594	105,397	-	60,050	554,041	551,541
Grove House School	788,855	429,157	28,891	194,665	1,441,568	1,053,577
Kingswode Hoe School	1,117,432	352,367	73,871	254,421	1,798,091	-
Central services	233,732	367,187	-	139,314	740,233	244,583
	<u>5,400,055</u>	<u>2,088,387</u>	<u>224,104</u>	<u>1,357,758</u>	<u>9,070,304</u>	<u>6,610,683</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Unrestricted	386,002	514,718	(16,359)	(242,001)	-	642,360
Business & Enterprise	-	3,539	(723)	-	-	2,816
	<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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**NOTES TO THE FINANCIAL STATEMENTS
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25. STATEMENT OF FUNDS (continued)

Restricted funds

GAG and Top Up	368,419	5,123,041	(4,979,256)	343,010	-	855,214
Other DfE/ESFA grants	-	70,273	(213,273)	151,190	-	8,190
Pupil premium	75,520	122,579	(200,204)	2,905	-	800
Year 7 catch up grant	-	22,602	(24,587)	1,985	-	-
Start up grant	61,853	78,724	(19,281)	(61,853)	-	59,443
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)	-	-
Revenue projects	-	-	(151,373)	210,300	-	58,927
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>(6,593,597)</u>	<u>366,948</u>	<u>122,000</u>	<u>(2,981,856)</u>

Restricted fixed asset funds

Capital expenditure from						
GAG	402,547	-	(43,865)	198,054	-	556,736
DfE/ESFA capital grants	1,401,936	1,479,375	(151,621)	2,986,311	-	5,716,001
Local Authority grants	288,055	6,295	(7,175)	-	-	287,175
Assets donated from						
Local Authority	6,130,231	-	(87,298)	-	-	6,042,933
Inherited fixed assets	9,167,388	-	(177,680)	1,301,311	-	10,291,019
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>(487,293)</u>	<u>(124,947)</u>	<u>-</u>	<u>22,920,908</u>
Total restricted funds	<u>14,193,355</u>	<u>12,462,586</u>	<u>(7,080,890)</u>	<u>242,001</u>	<u>122,000</u>	<u>19,939,052</u>
Total of funds	<u>14,579,357</u>	<u>12,980,843</u>	<u>(7,097,972)</u>	<u>-</u>	<u>122,000</u>	<u>20,584,228</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted	386,002	1,230,821	(93,322)	(444,016)	-	1,079,485
Business & Enterprise	-	5,477	(889)	-	-	4,588
	<u>386,002</u>	<u>1,236,298</u>	<u>(94,211)</u>	<u>(444,016)</u>	<u>-</u>	<u>1,084,073</u>
Restricted funds						
GAG and Top Up	368,419	12,395,868	(12,285,759)	482,435	-	960,963
Other DfE/ESFA grants	-	187,886	(330,833)	151,190	-	8,243
Pupil premium	75,520	342,841	(384,214)	2,905	-	37,052
Year 7 catch up grant	-	22,602	(24,587)	1,985	-	-
Start up grant	61,853	152,724	(68,281)	(61,853)	-	84,443
Autism Hub	-	173,932	(52,362)	-	-	121,570
Transferred in	-	201,630	-	(201,630)	-	-
ESFA MAT growth grant	-	60,000	(60,000)	-	-	-
ESFA pre opening grant	-	30,000	(22,000)	-	-	8,000
Other grants	-	2,576	(2,576)	-	-	-
Boarding	-	1,284,169	(1,105,583)	(172,959)	-	5,627
Revenue projects	-	-	(258,582)	258,582	-	-
Pension reserve	(3,779,000)	(855,000)	(992,000)	(43,000)	1,115,000	(4,554,000)
	<u>(3,273,208)</u>	<u>13,999,228</u>	<u>(15,586,777)</u>	<u>417,655</u>	<u>1,115,000</u>	<u>(3,328,102)</u>
Restricted fixed asset funds						
Capital expenditure from						
GAG	402,547	-	(101,574)	379,887	-	680,860
DfE/ESFA capital grants	1,401,936	1,578,758	(384,043)	2,954,216	-	5,550,867
Local Authority grants	288,055	6,295	(27,216)	1,570	-	268,704
Assets donated from						
Local Authority	6,130,231	-	(174,596)	-	-	5,955,635
Inherited fixed assets	9,167,388	3,140,633	(412,277)	1,301,311	-	13,197,055
Other fixed asset						
donations	66,995	-	(24,174)	(34,008)	-	8,813
Gifted fixed assets	4,340	4,300	(5,367)	-	-	3,273
Capital expenditure from						
boarding fund	5,071	-	(2,762)	-	-	2,309
Transferred in	-	4,576,615	-	(4,576,615)	-	-
	-	180,000	(6,300)	-	-	173,700
	<u>17,466,563</u>	<u>9,486,601</u>	<u>(1,138,309)</u>	<u>26,361</u>	<u>-</u>	<u>25,841,216</u>
	<u>14,193,355</u>	<u>23,485,829</u>	<u>(16,725,086)</u>	<u>444,016</u>	<u>1,115,000</u>	<u>22,513,114</u>
Total of funds	<u>14,579,357</u>	<u>24,722,127</u>	<u>(16,819,297)</u>	<u>-</u>	<u>1,115,000</u>	<u>23,597,187</u>

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26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	25,834,102	-	25,834,102
Current assets	1,549,117	7,114	1,085,970	2,642,201
Creditors due within one year	(323,219)	-	(1,897)	(325,116)
Provisions for liabilities and charges	(4,554,000)	-	-	(4,554,000)
	<u>(3,328,102)</u>	<u>25,841,216</u>	<u>1,084,073</u>	<u>23,597,187</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	22,920,908	1	22,920,909
Current assets	1,549,579	-	585,422	2,135,001
Creditors due within one year	(430,435)	-	59,753	(370,682)
Provisions for liabilities and charges	(4,101,000)	-	-	(4,101,000)
	<u>(2,981,856)</u>	<u>22,920,908</u>	<u>645,176</u>	<u>20,584,228</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	2,019,959	5,882,870
Adjustment for:		
Depreciation charges	651,016	487,292
Dividends, interest and rents from investments	(1,198)	(993)
Increase in stocks	(1,370)	(618)
Increase in debtors	(14,736)	(128,219)
(Decrease)/increase in creditors	(45,566)	101,477
Capital grants from DfE and other capital income	(271,157)	(1,489,970)
Defined benefit pension scheme cost less contributions payable	591,000	401,000
Fixed assets transferred into the Trust	(3,140,632)	(4,576,615)
Pension liability transferred into the trust	855,000	43,000
Net cash provided by operating activities	<u>642,316</u>	<u>719,224</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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28. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	2,389,429	1,898,332
Total	<u>2,389,429</u>	<u>1,898,332</u>

29. CONVERSION TO AN ACADEMY TRUST

On 01/09/2017 Kingswode Hoe School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to SEAX Trust from Essex County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Restricted funds £	Restricted fixed asset funds £	Unrestrict'd funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	3,116,949	-	3,116,949
- Other tangible fixed assets	-	23,683	-	23,683
Other assets	-	8,227	54,990	63,217
LGPS pension surplus/(deficit)	(855,000)	-	-	(855,000)
Net assets/(liabilities)	<u>(855,000)</u>	<u>3,148,859</u>	<u>54,990</u>	<u>2,348,849</u>

The above net assets include £63,217 that were transferred as cash.

30. 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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30. PENSION COMMITMENTS (continued)

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £437,894 (2017 - £312,697).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £636,000 (2017 - £413,000), of which employer's contributions totalled £495,000 (2017 - £314,000) and employees' contributions totalled £141,000 (2017 - £99,000). The agreed contribution rates for future years are between 21.3% and 23.6% 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.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI increases	3.30 %	3.60 %

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

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

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	190,000	147,000
Discount rate -0.1%	(194,000)	(151,000)
Mortality assumption - 1 year increase	(277,000)	(221,000)
Mortality assumption - 1 year decrease	268,000	212,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,445,000	1,614,000
Gilts	205,000	154,000
Other bonds	224,000	96,000
Property	342,000	239,000
Cash	131,000	76,000
Alternative assets	345,000	188,000
Other managed funds	148,000	105,000
Total market value of assets	3,840,000	2,472,000

The actual return on scheme assets was £209,000 (2017 - £283,000).

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

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

	2018 £	2017 £
Current service cost	(963,000)	(634,000)
Interest cost	(123,000)	(81,000)
Total	<u>(1,086,000)</u>	<u>(715,000)</u>
Actual return on scheme assets	<u>209,000</u>	<u>283,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	6,573,000	5,464,000
Transferred in on existing academies joining the trust	1,422,000	104,000
Current service cost	963,000	634,000
Interest cost	208,000	123,000
Employee contributions	141,000	99,000
Actuarial (gains)/losses	(869,000)	177,000
Benefits paid	(43,000)	(28,000)
Effect of non-routine settlements	(1,000)	-
Closing defined benefit obligation	<u>8,394,000</u>	<u>6,573,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	2,472,000	1,685,000
Transferred in on existing academies joining the trust	567,000	61,000
Interest income	85,000	42,000
Actuarial losses	124,000	299,000
Employer contributions	495,000	314,000
Employee contributions	141,000	99,000
Benefits paid	(43,000)	(28,000)
Effect of non-routine settlements	(1,000)	-
Closing fair value of scheme assets	<u>3,840,000</u>	<u>2,472,000</u>

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Actuarial gains and losses

	2018 £	2017 £
Change in financial assumptions	(869,000)	(196,000)
Change in demographic assumptions	-	33,000
Experience loss	-	340,000
Other actuarial gains/(losses)	(124,000)	(299,000)
	<u>(993,000)</u>	<u>(122,000)</u>
Total actuarial gains/(losses) on defined benefit pension schemes	<u>(993,000)</u>	<u>(122,000)</u>

Net pension asset

	2018 £	2017 £
Present value of the defined benefit obligation	(8,394,000)	(6,573,000)
Fair value of fund assets	3,840,000	2,472,000
	<u>(4,554,000)</u>	<u>(4,101,000)</u>
Total closing obligation	<u>(4,554,000)</u>	<u>(4,101,000)</u>

31. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	27,718	8,528
Between 1 and 5 years	7,137	4,870
After more than 5 years	3,235	7,116
	<u>38,090</u>	<u>20,514</u>
Total	<u>38,090</u>	<u>20,514</u>

32. MEMBERS' LIABILITY

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

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33. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 15.

The following related party transactions took place in the year:

During the year transactions for subscriptions and conference accommodation totalling £3,993 (2017: £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.