

REGISTRAR OF COMPANIES

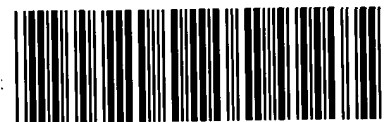
South Essex Alliance Multi-Academy Trust

Annual Report and Financial Statements

31 August 2018

Company Limited by Guarantee
Registration Number
8445314 (England and Wales)

THURSDAY



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Reference and administrative information

Members	Mrs J Bass (Resigned 4 January 2018) Mr B Bezdel Mr S Chapman (Resigned 4 January 2018) Mrs R Awan (Appointed 4 January 2018) Mrs M Gilbert (Appointed 4 January 2018) Mrs J Giles (Appointed 4 January 2018) Miss P Weaver (Appointed 4 January 2018)
Trustees	Mrs J Bass Mr B Bezdel Mr P Burnham Mr S Chapman Mr N Freeman Mrs A Law Mr P Malcolm Mrs J Pickering Mrs H Robinson
Company Secretary	Mrs T Brunning
Senior Management Team Chief Executive Officer (CEO) and Headteacher (Rayleigh Primary School) Deputy Chief Executive and Headteacher (Wyburns Primary School) Headteacher (North Crescent Primary School) Business Manager	Mr P Malcolm Mrs K Sansom Mrs L Mitchell Mrs T Brunning
Registered address	Love Lane Rayleigh Essex SS6 7DD
Company registration number	8445314 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank 1 Legg St Chelmsford Essex CM1 1JS

Reference and administrative information

Solicitors	Stone King Thirty Station Road Cambridge CB1 2RE
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Trustees' report (including the strategic report) Year ended 31 August 2018

The Trustees of the South Essex Alliance Multi-Academy Trust (the 'Academy Trust') present their annual report together with the audited financial statements of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' report for the purposes of charity law and a Directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 32 of the attached financial statements and comply with the Academy Trust's Memorandum and Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee (company registration no. 8445314) and an exempt charity incorporated, on 14 March 2013. The Academy Trust's Memorandum and Articles of Association (dated 27 March 2013, as amended by special resolution dated 14 December 2017) and the funding agreement (executed on 27 March 2013 as amended on 20 December 2017) are the primary governing documents of the Academy Trust.

Members' liability

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

Trustees' indemnities

As stated in the Academy Trust's Articles of Association (Clause 136): 'Subject to the provisions of the Companies Act 2006 every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.'

The Academy Trust has an indemnity policy in place to cover the cost of any such claims up to a total of £5 million in any one year.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities

The Academy Trust's primary object, as set out in the Articles of Association is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

The Academy Trust operates three schools, namely Rayleigh Primary School, North Crescent Primary School and Wyburns Primary School.

Trustees

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following Trustees served throughout the year and up to the date of approval of this report except as shown:

Trustee	Appointed / Resigned
Mrs J Bass	
Mr B Bezdel	
Mr P Burnham	Appointed 1 January 2018
Mr S Chapman	
Mr N Freeman	Appointed 1 September 2018
Mrs A Law	Appointed 1 January 2018
Mrs V Lucking	Appointed 1 January 2018 / Resigned 7 December 2018
Mr P Malcolm	
Mrs J Pickering	Appointed 1 January 2018
Mrs H Robinson	Appointed 1 January 2018
Mrs D Thresher	Appointed 1 January 2018 / Resigned 8 December 2018
Mr M Werry	Appointed 1 January 2018 / Resigned 16 March 2018

Method of recruitment and appointment or election of Trustees

In accordance with the Articles of Association the Board of Trustees comprises as a minimum three Trustees: the Chief Executive Officer, up to ten Trustees appointed by the Members and a minimum of two Parent Trustees (unless a Local Governing Body is formed which includes two Parent Members).

Policies and procedures adopted for the induction and training of Trustees

All new Trustees receive a full induction on appointment. Regular training for Trustees is provided as appropriate including their role as Trustees of a charitable company.

Organisational structure

During the accounting period the Trustees continued to be the decision making body and have been responsible for setting the Academy Trust's strategic direction and for ensuring that the financial management of the Academy Trust meets all the legal requirements.

For the period covered by these financial statements, the Board of Trustees has delegated some of the responsibility for the running of the Academy Trust to the Local Governing Bodies of constituent schools within the Academy Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

The Trustees have also been responsible for developing and agreeing the Academy Trust's policies and for holding the management and leadership to account for the outcomes of each pupil. They have made all decisions on major items of expenditure; monitoring the overall financial position during 2017/18; and setting the 2018/19 budget.

During the accounting period, the Trustees have also been responsible for monitoring key aspects of the schools' performance such as progress and attainment of pupils; quality of teaching and behaviour and safety of pupils.

Following the year end, the Board of Trustees created two sub-committees – an Audit & Finance committee and a Curriculum & Standards committee. Further details are provided in the Governance Statement forming part of this annual report.

The Chief Executive Officer has overall responsibility for the strategic and operational direction of the Academy Trust. He is responsible as Accounting Officer to central government in terms of operational and educational attainment, standards and services for the Academy Trust.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the Academy Trust responsible for directing and controlling the Academy Trust comprise the Trustees together with the Senior Management Team (listed on page 1). Trustees are not remunerated for their services as trustees of the Academy Trust. However, the Chief Executive Officer is remunerated in his capacity as an employee of the Academy Trust.

The Academy Trust adopts the recommended pay scales from the Local Authority in determining the remuneration of all staff. These pay scales are ratified by the Trustees. Performance reviews of the Headteachers and the Business Manager is undertaken by the Chief Executive Officer. The Trustees undertake a performance review of the CEO.

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
1% - 50%	1

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time (continued)

Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£2,747,000
Percentage of the total pay bill spent on facility time, calculated as:	
(total cost of facility time ÷ total pay bill) x 100	
	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	Nil
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(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

Connected organisations

Rayleigh Primary School is the designated Teaching School for the South Essex Teaching Institute. This organisation is a partnership of the schools in the Rayleigh and Rochford Districts and some other schools in the surrounding area. These consist of:

1. Ashingdon Primary School
2. Barling Magna Primary School
3. Canewdon Endowed Primary School
4. Down Hall Primary School
5. Edward Francis Primary School
6. Fitzwimarc School
7. Glebe Primary School and Unit for Hearing Impaired
8. Great Wakering Primary School
9. Grovewood Primary
10. Hockley Primary School
11. Fitzwimarc School
12. Glebe Primary School and Unit for Hearing Impaired
13. Great Wakering Primary School
14. Grovewood Primary
15. Hockley Primary School
16. Holt Farm Infant School
17. Holt Farm Junior School
18. Horndon-on-the-Hill CofE Primary School

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations (continued)

19. Montgomery Primary School
20. Our Lady of Ransom Catholic Primary School
21. Plumberow Primary School
22. Rayleigh Primary School
23. Riverside Primary School
24. Rochford Primary School
25. St Nicolas' CofE Primary School
26. St Teresa's Catholic Primary School
27. Swayne Park School
28. Vange Primary School
29. Westerings Primary School
30. Wyburns Primary School

This work is based upon the concept that Rayleigh Primary School does not sit at the centre as an expert but acts as a portal to bid for funding and recognition for the area's whole school improvement initiatives.

OBJECTIVES AND ACTIVITIES

Public benefit

In setting the Academy Trust's objectives and planning its activities, the Board of Trustees has given careful consideration to the Charity Commission's general guidance on public benefit.

Objects and aims

The Academy Trust's primary object, as set out in the Articles of Association is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum. During the period under review, the Academy Trust operated three schools, namely Rayleigh Primary School, Wyburns Primary School and North Crescent Primary School.

South Essex Multi-Academy Trust maintains in its ambition to be at the cutting edge of educational success developing online resources, working in partnerships both locally and across Europe. It intends for all its staff and those that join the teaching school alliance to invest in research to determine the best ways of ensuring every child succeeds. By investing in developing new systems it reduces teacher workload attracting the best staff to ensure its children always receive the highest standard of education.

Its focus on personnel will continue with potential restructuring when necessary to ensure the right people are carrying out tasks they are best placed to perform. This includes reviewing the number of specialists within the schools in marginalised subjects such as Dance and Drama. It also includes reviewing how special educational needs and disability are managed so specialised staff are not spending time completing paperwork that can be handled by others.

STRATEGIC REPORT

Achievements and performance

Throughout the year the Academy Trust has managed the transition from operating a single school to having a total of three schools within its control. Wyburns Primary School and North Crescent Primary School joined the Academy Trust from 1 January 2018.

North Crescent has been a school in crisis for some time. The Academy Trust has managed to stabilise its staffing and now children are being taught by contracted teachers (whereas previously they were being taught by a number of supply teachers). The process of school improvement has benefitted from investment in the school buildings which are no longer unsafe. The school has turned around negative admissions and this indicates the growing faith the local community have in its future.

The Academy Trust has worked hard to ensure all schools are meeting the requirements of the UNICEF Rights Respecting School. This ensures children are entitled to a rich and diverse curriculum that meets their needs. Teaching and learning is good or better and we are starting the initial meetings to build research based partnerships across the schools.

Leadership of the trust is continuing to develop upon firm footings. The Chief Executive Officer and Deputy Chief Executive are harmonising policy and procedure with no challenge by trade unions. The Academy Trust leadership has enabled Wyburns to support the Local Authority in placing the influx of children at Key Stage 2 through two new modern classrooms.

Academically, in 2017/18, Rayleigh Primary School and Wyburns Primary School continued to outperform National Averages with the former being in the top 20% of schools. The Local Authority commented on the increased performance at Key Stage 1 and in the combined measure Reading/Writing/Maths at Key Stage 2.

Families in the local community understand the partnership between the three schools and all schools remain popular. Breakfast and After School Club places are taken up by a wide range of children.

Staffing

Staffing remains stable across the Academy Trust although it has been challenging to recruit to North Crescent. Future harmonisation will continue and it is expected this will produce a more efficient organisation.

Curriculum

Our curriculum is based upon the UNICEF Rights Respecting School Award, The International Award and the Healthy Schools Award. These three act as a triumvirate engendering learning through positive social education. As this continues to impact at North Crescent we expect continued improvement in learning.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Governance and additional schools

The Trustee Board has reviewed how it operates and has re-structured itself to fall more in line with the best practice arrangements for multi-academy trusts (MAT). This means the roles of Members, Trustees and the Local Governing Bodies are more clearly defined.

Financial review

Financial report for the period

The results for the period are shown on page 24.

Total income for the year ended 31 August 2018 amounted to £15,797,000 (2017 – £2,163,000). Of this total, £11,905,000 is in relation to the value of the net assets inherited by the Academy Trust from the Local Authority on 1 January 2018 following the conversion of Wyburns and North Crescent schools to academy status. Further details of the net assets inherited is provided in note 21 to the financial statements.

Excluding the conversion balances, income for the year ended 31 August 2018 totalled £3,892,000 for the three schools (2017 – £2,163,000 for the one school). The bulk of income was receivable from the Education and Skills Funding Agency (ESFA), an agency of the Department for Education, the use of which is restricted to particular educational purposes. The grants received from the ESFA in the year ended 31 August 2018 and the associated expenditure are shown as restricted fund movements in the statement of financial activities.

Total expenditure for the year ended 31 August 2018 (after depreciation and adjustments in respect of the Local Government Pension Scheme (LGPS) liability) was £3,756,000 for the three schools (2017 – £2,232,000 for the one school). Net income for the year (before actuarial losses on the pension scheme) was therefore £12,041,000 (2017 – net expenditure of £69,000). After accounting for the actuarial gain on defined benefit pension scheme of £314,000 (2017 – £262,000) the overall net increase in fund balances was £12,355,000 (2017 – increase of £193,000).

Operationally, excluding movements on the restricted fixed assets fund, one-off income earned on the conversion of new schools, and any accounting adjustments made in respect of the defined benefit pension scheme, the operational surplus for the year was £120,000 (2017 – £148,000).

Financial position

The financial position of the Academy Trust as at the reporting date is shown on page 25.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial position (continued)

The Academy Trust held total fund balances at 31 August 2018 of £13,877,000 (2017 – £1,522,000). This balance includes a restricted fixed assets fund balance totalling £15,023,000 (2017 – £2,217,000) and a deficit pension reserve of £1,741,000 (2017 – £1,164,000). The amounts represent the carrying value of the Academy Trust's tangible fixed assets necessary for the day-to-day operation of the Academy Trust and the Academy Trust's estimated share of the deficit in the Local Government Pension Scheme made available to support staff.

In addition, the Academy Trust held restricted general funds of £142,000 (2017 – £235,000) and unrestricted general funds of £453,000 (2017 – £234,000) at the balance sheet date. These are the fund balances which are considered to be available to the Academy Trust to meet working capital requirements.

Reserves policy

The Trustees have reviewed the reserves of the Academy Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The Trustees are satisfied that the current level of reserves held by the Academy Trust is sufficient to fund future capital projects along with the day-to-day operation of the Academy Trust.

With respect to the LGPS deficit, the Trustees acknowledge that the Academy Trust will not be liable for a lump sum and any cash flows as a result of this deficit will occur over a number of years. In addition, 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.

Investment policy

Cash balances are monitored by Trust Board to ensure that adequate cash resources are available to meet future operational commitments and contingencies whilst ensuring that returns are maximised on surplus funds, for example, through investment in short term deposits. The Academy Trust does not invest surplus funds in listed or medium and high risk investments.

Fundraising activity

The Academy Trust did not actively engage in fundraising activities during the year (by way of appeals, collections, or otherwise seeking donations). The Trustees therefore do not consider that they are obliged to take account of regulations or best practice guidance notes for this area covered by the Charities (Protection and Social Investment) Act 2016.

STRATEGIC REPORT (continued)

Going concern

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

Principal risks and uncertainties

The Academy Trust maintains a risk register that is reviewed on an ongoing basis. This is included as an agenda item at each Board meeting for discussion and monitoring. A risk dashboard has been created that examines the severity of each risk and how the academy is mitigating those risks.

The Trustees discuss the operations of North Crescent in detail as the Academy Trust is sponsoring this school. Funding continues to be a risk identified by the Trustees as staff costs increase year on year which is not matched by the same increases in funding. Health and safety compliance has also been identified however this is mitigated by regular checks by the site team and oversight by an external health and safety consultant.

Plans for future periods

The Academy Trust like others in the sector must continue to focus upon the practicalities of the raised standards of the new National Curriculum. The national focus is reading, and until the testing and statistical method stabilise, all schools will need to ensure they are working to give their children the best chance of success.

The Academy Trust will also focus on the balance within the curriculum to ensure the new testing regime does not lead to a watered down curriculum that only focuses on test technique.

The Teaching School is reaching a critical period where more alliance partners are playing a greater role. This has cost and organisational commitments that need to be balanced as we move forward.

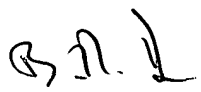
Trustees' report (including the strategic report) Year ended 31 August 2018

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees and signed on its behalf by:


(B.R. BGEDEC)

Chair of Trustees

Date: 14/12/18,

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 the Academy Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included below supplements the information contained in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met six (2017: six) times during the year. Attendance at the meetings of the Board of Trustees during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J Bass	6	6
Mr B Bezdel	4	6
Mr P Burnham	2	3
Mr S Chapman	2	6
Mrs A Law	3	3
Mrs V Lucking	3	3
Mr P Malcolm	6	6
Mrs J Pickering	3	3
Mrs H Robinson	2	3
Mrs D Thresher	1	3
Mr M Werry	1	1

Governance review

Following expansion of the Academy Trust from a single school in 2016/17 to the operation of three schools from 1 January 2018, the Board of Trustees was also expanded to ensure robust governance with seven new appointments to the Board made on 1 January 2018.

During the year of report, Academy Trust-wide finance related matters were considered and decided on directly by the Board of Trustees.

Subsequent to the balance sheet date, the Board of Trustees formally established a separate Audit & Finance Committee, a sub-committee of the main Board. Its remit is to approve the Academy Trust's annual budget and monitor actual expenditure to budget throughout the year. Significant items of capital and revenue expenditure are reviewed by this Committee and recommended to the Board of Trustees for approval. It is also responsible for considering audit related matters including external and internal audit report.

Governance (continued)

Membership of the Audit & Finance Committee currently comprises:

Committee member

Julie Bass
Paul Burnham
Neil Freeman
Amanda Law

Review of value for money

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

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

- Continually looking at the staffing profile in each of the schools to ensure the most efficient structure is in place;
- Carrying out a review of the ICT support for the Management Information Systems and changing provider; and
- Negotiating new contracts for the photocopiers to make cost savings.

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

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees and governors;
- ◆ regular reviews by the Trust Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Buzzacott LLP, the external auditor, to perform additional checks during the reporting period. For the period of report, the Academy's external auditor has documented and tested the implementation of the key financial controls designed and utilised by the Academy Trust. No material weaknesses were identified.


Review of effectiveness

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

- ◆ the work of the external auditor including key financial control checks;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the Senior Management Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Trust Board of the implications of his review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees and signed on its behalf by:


(B.R. Bezzel)

Chair of Trustees



P MALCOLM

Headteacher and Accounting Officer

Approved on:

14/12/18

Statement on regularity, propriety and compliance 31 August 2018

As Accounting Officer of South Essex Alliance Multi-Academy Trust (the 'Academy Trust'), I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. 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's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 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 the ESFA.


P MALCOLM

Accounting Officer

Date:

1/6.12.18

Statement of Trustees' responsibilities 31 August 2018

The Trustees, who are also the Directors of the South Essex Alliance Multi-Academy Trust (the 'Academy Trust') for the purposes of company law, are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

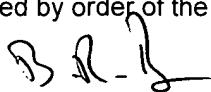
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom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

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

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

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy Trust'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 Board of Trustees and signed on its behalf by:

 (B.R. De Zee)

Chair of Trustees

Date: 14/12/18

Independent auditor's report on the financial statements to the members of South Essex Alliance Multi-Academy Trust

We have audited the financial statements of South Essex Alliance Multi-Academy Trust (formerly The Rayleigh Primary School Academy Trust) (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities' SORP 2015) and the Academies Accounts Direction 2017 to 2018.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities' SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

Conclusions relating to going concern (continued)

- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 and financial statements other than the financial statements and our auditor's 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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 or returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Katharine Patel (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

17 December 2018

Independent reporting accountant's assurance report on regularity to South Essex Alliance Multi-Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Essex Alliance Multi-Academy Trust (the 'Academy Trust') during the period from 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.

Respective responsibilities of the Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education 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 period from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

Independent reporting accountant's assurance report on regularity 31 August 2018

Approach (continued)

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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

Use of our report

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

Buzzacott LLP

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

17 December 2018

Statement of financial activities Year ended 31 August 2018
(including income and expenditure account)

			Restricted funds		Year ended 31 August 2018 Total funds £'000	Year ended 31 August 2017 Total funds £'000
	Notes	Unrestricted general fund £'000	General £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	24	—	401	425	39
Transfers from Local Authority on conversion	21	163	(659)	12,401	11,905	—
Other trading activities	2	326	—	—	326	184
Charitable activities						
· Funding for the Academy Trust's educational operations	3	5	3,096	—	3,101	1,900
· Teaching Schools	20	—	40	—	40	40
Total income		518	2,477	12,802	15,797	2,163
Expenditure on:						
Raising funds	4	299	—	—	299	169
Charitable activities						
· Academy Trust's educational operations	5	—	3,264	153	3,417	2,023
· Teaching Schools	20	—	40	—	40	40
Total expenditure	4	299	3,304	153	3,756	2,232
Net income (expenditure) before transfers		219	(827)	12,649	12,041	(69)
Transfers between funds	15	—	(157)	157	—	—
Net income (expenditure)		219	(984)	12,806	12,041	(69)
Other recognised gains and losses						
Actuarial gains on defined benefit pension scheme	18	—	314	—	314	262
Net movement in funds		219	(670)	12,806	12,355	193
Reconciliation of funds						
Total fund balances brought forward at 1 September 2017		234	(929)	2,217	1,522	1,329
Total fund balances carried forward at 31 August 2018		453	(1,599)	15,023	13,877	1,522

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 August 2018

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Tangible fixed assets	12		15,023		2,217
Current assets					
Debtors	13	383		29	
Cash at bank and in hand		722		659	
		<u>1,105</u>		<u>688</u>	
Liabilities					
Creditors: amounts falling due within one year	14	(510)		(219)	
Net current assets			<u>595</u>		<u>469</u>
Net assets excluding pension scheme liability			<u>15,618</u>		<u>2,686</u>
Pension scheme liability	18		(1,741)		(1,164)
Total net assets			<u>13,877</u>		<u>1,522</u>
Restricted funds					
Fixed assets fund	15		15,023		2,217
Restricted general funds	15		142		235
Pension reserve			(1,741)		(1,164)
Total restricted funds			<u>13,424</u>		<u>1,288</u>
Unrestricted funds					
Unrestricted general funds			<u>453</u>		<u>234</u>
Total funds			<u>13,877</u>		<u>1,522</u>

The financial statements on page 24 to 50 were approved by the Board of Trustees and are signed on their behalf by:


(B.R.D. Dec)

Chair

Date: 14/12/18.

South Essex Alliance Multi-Academy Trust
Company Limited by Guarantee
Registration Number: 8445314 (England and Wales)

Statement of cash flows Year ended 31 August 2018

		2018 £'000	2017 £'000
Net cash flows from operating activities			
Net cash provided by operating activities	A	57	230
Net cash used in investing activities	B	(157)	(26)
Cash transferred on conversions		163	—
Change in cash and cash equivalents in the year		63	204
Cash and cash equivalents at 1 September 2017		659	455
Cash and cash equivalents at 31 August 2018	C	722	659

A Reconciliation of expenditure to net cash provided by operating activities

	2018 £'000	2017 £'000
Net income (expenditure) for the year (as per the statement of financial activities)	12,041	(68)
Adjusted for:		
Tangible fixed assets inherited on conversion (note 21)	(12,401)	—
Depreciation charges (note 12)	153	92
Capital grants from DfE/ESFA and other capital income	(401)	(19)
Defined benefit pension scheme liability inherited on conversions (note 21)	659	—
Defined benefit pension scheme service cost adjustment (note 18)	192	117
Defined benefit pension scheme finance cost adjustment (note 18)	40	27
Budget surpluses receivable on conversion (note 21)	(163)	—
Increase (decrease) in debtors	(354)	13
Increase in creditors	291	68
Net cash provided by operating activities	57	230

B Cash flows from investing activities

	2018 £'000	2017 £'000
Purchase of tangible fixed assets	(558)	(45)
Capital grants from DfE/ESFA and other capital income	401	19
Net cash used in investing activities	(157)	(26)

C Analysis of cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank and in hand	722	659
Total cash and cash equivalents	722	659

Statement of accounting policies

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

Basis of preparation

The financial statements of the South Essex Alliance Multi-Academy Trust (the 'Academy Trust') 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), 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 2015), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The South Essex Alliance Multi-Academy Trust meets the definition of a public benefit entity under FRS 102. The financial statements have been presented in Sterling to the nearest pound.

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 Trust 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.

Income

All income is recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

Income (continued)

Grants (continued)

The General Annual Grant is recognised in full in the statement of financial activities 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.

Donations

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

Transfers on conversion

Where assets and liabilities are received by the Academy Trust on the conversion of a school to an academy, the assets and liabilities inherited from the relevant Local Authority are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Other income

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

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.

Expenditure on raising funds

These are costs incurred in attracting voluntary or other income for the Academy Trust such as through the hire of facilities, the provision of clubs and activities.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust.

Expenditure is stated net of recoverable VAT.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included on the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to the restricted fixed assets fund in the statement of financial activities and carried forward on the balance sheet. Depreciation on such assets is charged to the restricted fixed assets fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

- | | |
|------------------------------------|----------------------|
| ◆ Freehold buildings | 2% per annum |
| ◆ Long leasehold buildings | 2% per annum |
| ◆ Building improvements | 4% to 10% per annum |
| ◆ Fixtures, fittings and equipment | 20% to 33% per annum |

Depreciation is charged from the month of acquisition. Freehold land is not depreciated.

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.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand.

Liabilities

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

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

Fund accounting (continued)

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

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Essex County Council.

Critical accounting estimates and areas of judgement

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

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 18, 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.
- ◆ The net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the Trustees' assessment of the estimated useful economic lives of such assets. The original value assigned to the leasehold property was based on a desktop valuation carried out by the ESFA on 31 March 2014. With effect from 1 September 2014, the date of transition to FRS 102, the 31 March 2014 valuation was deemed equal to cost of the asset.

As noted above, on the conversion of a Local Authority maintained school to academy status, the Academy Trust the identifiable assets and liabilities of the predecessor school are initially recognised at an estimate of their fair value. This has been estimated by management in conjunction with valuation information supplied by independent third parties.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2018 Total funds £'000	2017 Total funds £'000
Capital grants	—	401	401	9
Other donations	24	—	24	30
	24	401	425	39

2 Other trading activities

	Unrestricted funds	
	2018 Total funds £'000	2017 Total funds £'000
Hire of facilities	41	13
Trips and club income	152	80
Catering income	64	41
Miscellaneous income	69	50
	326	184

3 Funding for Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
DfE/ESFA grants				
· General Annual Grant (GAG)	—	2,550	2,550	1,475
· Other DfE/ESFA grants	—	286	286	80
· National College grants	—	55	55	123
	—	2,891	2,891	1,678
Other Government grants				
· Local authority grants	—	205	205	126
	—	205	205	126
Other income from the Academy Trust's educational operations	5	—	5	96
2018 total funds	5	3,096	3,101	1,900

4 Expenditure

	Staff costs (note 7) £'000	Non pay expenditure		2018 Total £'000	2017 Total £'000
		Premises £'000	Other costs £'000		
Expenditure on raising funds					
· Direct costs	116		183	299	169
Academy's educational operations (note 5)					
· Direct costs	2,031	153	188	2,372	1,374
· Allocated support costs	579	235	231	1,045	649
Teaching Schools (note 20)	40	—	—	40	40
2018 total funds	2,766	388	602	3,756	2,232
Net income (expenditure) for the year includes:					
Operating lease rentals				2	2
Depreciation				153	92
Fees payable to auditor					
· Audit and assurance				20	14

5 Charitable activities – Academy Trust's educational operations

	2018 Total £'000	2017 Total £'000
Direct costs	2,372	1,374
Support costs	1,045	649
	3,417	2,023
Analysis of support costs		
	2018 Total £'000	2017 Total £'000
Support staff costs	579	319
Technology costs	30	18
Premises costs	235	208
Other support costs	123	41
Governance costs	78	63
Total support costs	1,045	649

6 Comparative information

Analysis of income and expenditure in the year ended 31 August 2017 between restricted and unrestricted funds:

	Unrestricted general fund £'000	Restricted funds General £'000	Fixed assets fund £'000	Year ended 31 August 2017 Total funds £'000
Income from:				
Donations and capital grants	21	—	18	39
Other trading activities	184	—	—	184
Charitable activities				
· Funding for the Academy Trust's educational operations	96	1,804	—	1,900
· Teaching Schools	—	40	—	40
Total income	301	1,844	18	2,163
Expenditure on:				
Raising funds	169	—	—	169
Charitable activities				
· Academy Trust's educational operations	—	1,932	91	2,023
· Teaching Schools	—	40	—	40
Total expenditure	169	1,972	91	2,232
Net income (expenditure) before transfers	132	(128)	(73)	(69)
Transfers between funds	—	(26)	26	—
Net income (expenditure)	132	(154)	(47)	(69)
Other recognised gains and losses				
Actuarial gains on defined benefit pension scheme	—	262	—	262
Net movement in funds	132	108	(47)	193
Reconciliation of funds				
Total fund balances brought forward at 1 September 2016	102	(1,037)	2,264	1,329
Total fund balances carried forward at 31 August 2017	234	(929)	2,217	1,522

7 Staff costs

(a) Staff costs

Staff costs during the year were:

	2018 Total funds £'000	2017 Total funds £'000
Wages and salaries	2,057	1,094
Social security costs	149	82
Operating costs of defined benefit pension schemes	541	298
	2,747	1,474
Supply staff costs	19	22
Staff severance payment	—	—
	2,766	1,496

(b) Staff severance payments

No staff severance payment was made during the year (2017 – none).

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2018 was as follows:

Charitable activities	2018 No.	2017 No.
Teachers	40	15
Administration and support	133	24
Management	4	3
	177	42

(d) Higher paid staff

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

	2018 No.	2017 No.
£60,001 - £70,000	1	1

(e) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees, the School Business Manager and the Heads of each of the three schools. The total amount of employee benefits payable (including employer pension contributions and employer social security costs) in respect of key management personnel for their services to the Academy Trust was £254,985 (2017 - £197,837).

8 Trustees' remuneration and expenses

The Chief Executive Officer (CEO) of the Academy Trust, who is also the Headteacher of Rayleigh Primary School is a Trustee of the Academy Trust. The CEO only receives remuneration in respect of services he provides undertaking the role of CEO and Headteacher, and not in respect to his services as a Trustee of the Academy Trust. No other Trustee received any remuneration. The value of CEO's remuneration and other benefits on an annualised basis was as follows:

	2018 £	2017 £
Mr P Malcolm (Chief Executive Officer and Headteacher)		
• Remuneration	65k – 70k	65k – 70k
• Employer's pension contributions	10k – 15k	10k – 15k

During the year ended 31 August 2018, travel or subsistence expenses totalling £475 was reimbursed to one Trustee (2017 – £98 was reimbursed to one Trustee).

Other related party transactions are set out in notes 9 and 19.

9 Trustees' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5 million on any one claim and the cost for the year ended 31 August 2018 was £192 (2017 - £168).

10 Central services

Central services are provided to constituent schools within The Academy Trust through Rayleigh Primary School. All central expenditure is initially settled by Rayleigh Primary School, which in turn recharges the remaining schools in order to recover an appropriate share of the cost borne by the school. The following central services were provided during the year to 31 August 2018:

- Financial support services;
- Legal and professional support services;
- Health and Safety; and
- IT support.

The actual cost of each service is shared between the schools within the Academy Trust on a per pupil basis. The actual amounts recharged by Rayleigh Primary School to other schools within the Academy Trust were as follows:

	2018 £	2017 £
North Crescent Primary School	7,595	—
Wyburns Primary School	7,595	—
	15,190	—

11 Analysis of expenditure by school

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

	Teaching and Educational Support Staff costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs excluding dep'n £'000	Total 2018 £'000	Total 2017 £'000
Rayleigh Primary School	1,181	410	130	454	2,175	2,140
North Crescent Primary School	456	122	24	114	716	—
Wyburns Primary School	436	161	22	93	712	—
	2,073	693	176	661	3,603	2,140

12 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold buildings £'000	Building improvements £'000	Fixtures, fittings and equipment £'000	Total funds £'000
Cost					
At 1 September 2017	—	2,049	365	109	2,523
Donated assets on acquisition	12,401	—	—	—	12,401
Additions	—	—	522	36	558
At 31 August 2018	12,401	2,049	887	145	15,482
Depreciation					
At 1 September 2017	—	181	52	73	306
Charge in year	65	41	25	22	153
At 31 August 2018	65	222	77	95	459
Net book value					
At 31 August 2018	12,336	1,827	810	50	15,023
At 31 August 2017	—	1,868	313	36	2,217

There were no capital commitments at 31 August 2018 (2017 – none)

13 Debtors

	2018 £'000	2017 £'000
Trade debtors	7	—
Prepayments and accrued income	310	19
VAT recoverable	66	10
	383	29

Notes to the financial statements Year ended 31 August 2018

14 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	161	—
Taxation and social security	46	19
Other creditors	51	20
Accruals and deferred income	252	180
	510	219
Deferred income (included above)		
Deferred income at 1 September 2017	154	42
Released during the year	(154)	(42)
Resources deferred in the year	81	154
Deferred income at 31 August 2018	81	154

Deferred income in the main relates to funding received in the reporting period from the Education and Skills Funding Agency for Universal Infant Free School Meals income. This was specifically received for the 2018/19 academic year. In addition, the balance includes income received in advance from Essex County Council in respect for the provision of Nursery services for the 2018/19 autumn term.

15 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	235	2,550	(2,486)	(157)	142
Pupil Premium	—	181	(181)	—	—
Local authority grants	—	205	(205)	—	—
Other DfE / EFA grants	—	200	(200)	—	—
Pension reserve	(1,164)	(659)	(232)	314	(1,741)
	(929)	2,477	(3,304)	157	(1,599)
Restricted fixed assets fund					
Transfer on conversion	1,868	12,401	(65)	—	14,204
DfE/ESFA capital grants	200	401	(88)	—	513
Capital expenditure from GAG	149	—	—	157	306
	2,217	12,802	(153)	157	15,023
Unrestricted funds					
General funds	234	518	(299)	—	453
	234	518	(299)	—	453
Total funds	1,522	15,797	(3,756)	314	13,877

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

Restricted general funds***General Annual Grant (GAG)***

The GAG is provided by the Secretary of State through the Education and Skills Funding Agency (ESFA) to cover the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at the year end date.

Transfers from GAG to the fixed assets fund represent the utilisation of GAG to help fund the purchase of the Academy Trust's tangible fixed assets.

Other ESFA revenue grants

This fund comprises other revenue grants received from the Education and Skills Funding Agency which are provided for specific purposes and includes the Pupil Premium grant which is provided to support disadvantaged children from low-income families.

15 Funds (continued)

Restricted general funds (continued)

Pension reserve

The pension reserve relates to the deficit on the Academy Trust's share of the Local Government Pension Scheme liability for support staff. Whilst the fund is currently in deficit, the liability is not expected to crystallise in the short-term.

Fixed assets fund

These funds relate to the Academy Trust's holding of tangible fixed assets, predominantly the buildings occupied by the Academy Trust.

Analysis of fund balance by school

Fund balances at 31 August 2018 were as follows:

	2018 £'000	2017 £'000
Rayleigh Primary School	410	469
Wyburns Primary School	144	—
North Crescent Primary School	41	—
Total before fixed assets and pension reserve	595	469
Restricted fixed asset fund	15,023	2,217
Pension reserve	(1,741)	(1,164)
Total	13,877	1,522

15 Funds (continued)

Comparative information

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	75	1,475	(1,289)	(26)	235
Pupil Premium	—	70	(70)	—	—
Local authority grants	170	125	(295)	—	—
Other grants	—	174	(174)	—	—
Pension reserve	(1,282)	—	(144)	262	(1,164)
	<u>(1,037)</u>	<u>1,844</u>	<u>(1,972)</u>	<u>236</u>	<u>(929)</u>
Restricted fixed assets fund					
Transfer on conversion	1,909	—	(41)	—	1,868
DfE/ESFA capital grants	241	9	(50)	—	200
Capital expenditure from GAG	113	10	—	26	149
	<u>2,263</u>	<u>19</u>	<u>(91)</u>	<u>26</u>	<u>2,217</u>
Unrestricted funds					
General funds	103	300	(169)	—	234
	<u>103</u>	<u>300</u>	<u>(169)</u>	<u>—</u>	<u>234</u>
Total funds	<u>1,329</u>	<u>2,163</u>	<u>(2,232)</u>	<u>262</u>	<u>1,522</u>

15 Funds (continued)

Comparative information (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	75	4,025	(3,775)	(183)	142
Pupil Premium	—	251	(251)	—	—
Local authority grants	170	330	(500)	—	—
Other DfE / EFA grants	—	374	(374)	—	—
Pension reserve	(1,282)	(659)	(376)	576	(1,741)
	<u>(1,037)</u>	<u>4,321</u>	<u>(5,276)</u>	<u>393</u>	<u>(1,599)</u>
Restricted fixed assets fund					
Transfer on conversion	1,909	12,401	(106)	—	14,204
DfE/ESFA capital grants	241	410	(138)	—	513
Capital expenditure from GAG	113	10	—	183	306
	<u>2,263</u>	<u>12,821</u>	<u>(244)</u>	<u>183</u>	<u>15,023</u>
Unrestricted funds					
General funds	103	818	(468)	—	453
Total unrestricted funds	<u>103</u>	<u>818</u>	<u>(468)</u>	<u>—</u>	<u>453</u>
Total funds	<u>1,329</u>	<u>17,960</u>	<u>(5,988)</u>	<u>576</u>	<u>13,877</u>

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2018 £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	—	—	15,023	15,023
Current assets	448	657	—	1,105
Current liabilities	—	(510)	—	(510)
Pension scheme liability	—	(1,741)	—	(1,741)
Total net assets	448	(1,594)	15,023	13,877

17 Financial commitments

Operating leases

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

	2018 £'000	2017 £'000
Amounts due within one year	5	2
Amounts due between two and five years inclusive	9	1
	14	3

18 Pension and similar obligations

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

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

There were no outstanding or prepaid contributions at the beginning or at the end of the financial year. Contributions amounting to £50,633 were payable to the schemes at 31 August 2018 (2017: £20,381) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge).
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.

18 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

- ◆ 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. Initial indications are that the employer's contribution rate will increase to 23.6% from September 2019 and that government funding will be made available to cover the increased costs.

The employer's pension costs paid to TPS in the period amounted to £183,000 (2017: £104,385).

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £213,000 (2017 - £102,000), of which employer's contributions totalled £166,000 (2017 - £77,000) and employees' contributions totalled £47,000 (2017 - £25,000).

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

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment / inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.7%	2.6%

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.3	22.2
Females	24.8	24.7
<i>Retiring in 20 years</i>		
Males	24.5	24.3
Females	27.1	27.0

The approximate change in the Academy Trust's overall pension liability as a result of changes in the principal actuarial assumptions would be as follows:

	At 31 August 2018 £'000	At 31 August 2017 £'000
Discount rate +0.1%	(24)	(40)
Discount rate -0.1%	25	41
Mortality assumption – 1 year increase	32	56
Mortality assumption – 1 year decrease	(31)	(54)

The Academy's share of the assets in the scheme and the present value of scheme liabilities were as follows:

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	723	346
Gilts	61	33
Corporate bonds	67	21
Property	102	52
Cash and other liquid assets	38	16
Investment funds	44	23
Other	102	41
Total market value of assets	1,137	532

The actual return on scheme assets was £43,000 (2017 - £52,000).

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Amounts recognised in statement of financial activities	2018 £'000	2017 £'000
Current service cost (less employer contributions)	192	194
Interest income	(22)	(8)
Interest cost	62	35
Total amount recognised in the SOFA	232	221

Changes in the present value of defined benefit obligations were as follows:	2018 £'000	2017 £'000
At 1 September 2017	1,696	1,600
Inherited on conversion	1,044	—
Current service cost	358	194
Interest cost	62	35
Employee contributions	47	25
Actuarial gain	(293)	(135)
Benefits paid	(36)	(23)
At 31 August 2018	2,878	1,696

Changes in the fair value of the Academy's share of scheme assets:	2018 £'000	2017 £'000
At 1 September 2017	532	318
Inherited on conversion	385	—
Interest on assets	22	8
Actuarial gain	21	127
Employer contributions	166	77
Employee contributions	47	25
Benefits paid	(36)	(23)
At 31 August 2018	1,137	532

19 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. Where transactions involving such organisations arise, these are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. No such transactions arose during the period of report (2017 – none).

20 Teaching School trading account

	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Income				
Direct income				
Teaching School Grants	40		40	
Total income		40		40
Expenditure				
Direct costs				
Direct staff costs	40		40	
Total direct costs		(40)		(40)
Total expenditure		(40)		(40)
Surplus/deficit for all services		—		—
Teaching schools balance at 1 September 2017		—		—
Teaching schools balance at 31 August 2018		—		—

21 Transfer from Local Authority on conversion

On 1 January 2018, North Crescent Primary School and Wyburns Primary School converted to academy status under the Academies Act 2010 and the operations and assets and liabilities of the two schools were transferred from Essex County Council to the Academy Trust 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 income from transfers from Local Authority on conversion in the statement of financial activities.

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.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2018 £'000
Overall totals				
Tangible fixed assets				
Freehold land and buildings	—	—	12,401	12,401
Current assets				
Cash – Budget surplus on school funds	163	—	—	163
Non-current liabilities				
LGPS pension deficit	—	(659)	—	(659)
Net assets (liabilities)	163	(659)	12,401	11,905

21 Transfer from Local Authority on conversion (continued)

The tables below provide further analysis of the assets and liabilities inherited in respect of each converting school.

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2018 £'000
Wyburns Primary School				
Tangible fixed assets				
. Freehold land and buildings	—	—	7,606	7,606
Current assets				
. Cash – Budget surplus on school funds	112	—	—	112
Non-current liabilities				
. LGPS pension deficit	—	(263)	—	(263)
Net assets (liabilities)	112	(263)	7,606	7,455

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2018 £'000
North Crescent Primary School				
Tangible fixed assets				
. Freehold land and buildings	—	—	4,795	4,795
Current assets				
. Cash – Budget surplus on school funds	51	—	—	51
Non-current liabilities				
. LGPS pension deficit	—	(396)	—	(396)
Net assets (liabilities)	51	(396)	4,795	4,450