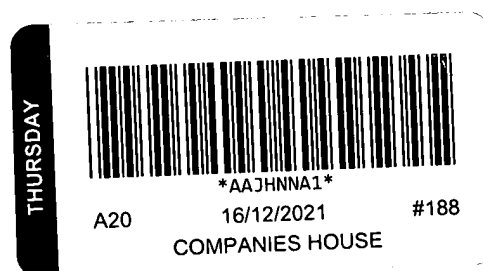


**Seckford Education Trust
(a Company Limited by Guarantee)**

Annual Report and Financial Statements

For the year ended 31 August 2021



Registered Company No: 08077362

Seckford Education Trust
Annual Report and Financial Statements
For The Year Ended 31 August 2021

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Seckford Education Trust Reference and Administrative Details

Members

Mr R Finbow
Mr S Fletcher
Mr C Schlee (resigned 30 June 2021)
Mr J Wellesley Wesley
The Seckford Foundation (a charitable company)
(resigned 20 August 2021)

Trustees

Mr N Alderton*
Mrs L Barlow (appointed 25 March 2021)*
Mr G Bruce (Vice Chair)
Mr J Chin *
Mr W Fletcher
Mrs J Garfield * (resigned 22 April 2021)
Ms J Gibbs * (resigned 25 February 2021)
Mr R Lane
Mr W Mayne
Mrs K Measures
Mrs V Nicholson
Mr J Wellesley Wesley (Chair) *

** Members of the Finance, Audit and Resources Committee*

Trust Leadership

CEO and Accounting Officer
Head of School – SET Saxmundham

Head of School – SET Ixworth
Head of School – SET Beccles
Head of School – SET Maidstone and SET Causton
Company Secretary and Chief Financial Officer

Mr M Barrow
Mrs L Girling (resigned 31 August 2021)
MS C Watson (appointed 1 September 2021)
Mrs P Parker
Mrs H Philpott
Mrs L Thompson
Mr S Stafford (resigned 31 August 2021)
Mrs J Tomkins (appointed 1 September 2021)

Principal and Registered Office

Marryott House
Burkitt Road
Woodbridge IP12 4JJ (until 31st August 2021)

SET Ixworth School (from 1st September 2021)
Walsham Road
Ixworth IP31 2HS

Company Registration Number

08077362 (England and Wales)

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Barclays Bank plc
PO Box 544
54 Lombard Street
London EC3V 9EX

Seckford Education Trust Trustees' Report For The Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of Seckford Education Trust ("the Trust" or "the Company") for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' Report and a Directors' Report and a Strategic Report under company law.

Principal Activities

The Trust was set up to help local communities to establish and run a small number of schools in Suffolk, in response to demand from local parents/carers. The Trust was established by The Seckford Foundation which is a long established charity committed to the education and welfare of young people and older people in Suffolk. The trust has flourished and on 30 August 2021 became an independent multi academy trust and The Seckford Foundation ceased to be a member of the Trust.

The Trust currently operates five schools in Suffolk, as follows:

- SET Beccles School – secondary school for years 7-11
- SET Ixworth School - secondary school for years 7-11
- SET Saxmundham School – secondary school for years 7-11
- SET Maidstone - infant school for years R-2
- SET Causton – junior school for years 3-6

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Trust's memorandum and articles of association are the primary governing documents of the Trust. The Trust entered into a Master Funding Agreement with the Secretary of State for Education, together with Supplemental Funding Agreements in respect of SET Beccles School and SET Saxmundham School on 14 June 2012 and a Supplemental Funding Agreement in respect of SET Ixworth School on 27 February 2014. A Master Funding Agreement and Supplemental Funding Agreements for SET Causton and SET Maidstone were entered into on 27 June 2020. The Trust's Memorandum and Articles of Association were amended by special resolution with effect from 30 August 2021 when the Seckford Foundation ceased being a member of the Seckford Education Trust.

The Trustees of Seckford Education Trust are also the directors of the Company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

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 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.

Trustees' Indemnities

Employees and Trustees are covered by professional indemnity insurance for failings arising from the performance of their duties that may lead to civil liability. There are no other specific third party indemnities beyond this which require reporting in the context of section 236 of the Companies Act 2006.

Method of Recruitment and Appointment or Election of Trustees

The members of the Company may appoint up to 12 trustees. They may also appoint staff trustees provided that the total number of trustees who are employees of the Trust does not exceed one third of the total number of trustees.

A minimum of two parent Trustees are elected or appointed in accordance with the term of the Trust's articles of association. Each parent Trustee must be a parent of a registered pupil at one of the academies operated by the Trust at the time when they are elected. The Trustees may also appoint one co-opted Trustee, who can be co-opted having not already been appointed.

Seckford Education Trust Trustees' Report (Continued) For The Year Ended 31 August 2021

Policies and Procedures Adopted for the Induction and Training of Trustees

A comprehensive training and induction programme is provided for all Trustees, including a detailed Trustee Handbook and Code of Conduct. All Trustees are provided access to policies, procedures, terms of reference of trust committees, minutes, budget plans and other documents, via GovernorHub, that they need to undertake their roles as trustees. During the year there was less external training due to COVID-19 however the annual programme is structured to deliver statutory training and training informed by the Trustees' skills audit.

Organisational Structure

The organisational structure of the Trust consists of the following:

Governance:

- Trust Board (the Trustees/Directors);
- Committees of the Trust Board: Finance, Audit and Resources Committee;
- Local Advisory Bodies for each school;

Operational leadership:

- Trust Leadership Team (TLT);
- Senior Leadership Team of each school.

The Trust Board meets at least six times per year and is responsible for the overall strategic direction of the Trust and for those statutory duties which may not be delegated to sub-committees. The Trust Board has a scheme of delegation which specifies delegated authorities at each level in the organisation. The committees meet at least termly.

The day to day management is delegated to the Trust Leadership Team and the Senior Leadership Team in each school. The Trust Leadership Team meets weekly to review the operation of each school and implementation of policies and procedures. Budgets are delegated to department heads and other delegated budget holders who are authorised to commit expenditure within the approved budget levels.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel is set by the Trust Board, having regard to the Trust's pay structure, external comparators and benchmarking with other similar organisations. The framework for pay decisions is the Trust's Remuneration Policy which has been approved by the Trust Board and is subject to regular review by the Finance, Audit and Resources Committee.

The Trust is committed to enabling its schools to recruit, retain and motivate the highest quality staff, and to provide development and career paths within the Trust, whilst ensuring that pay progression is linked to performance.

Engagement with employees (including disabled persons)

The Seckford Education Trust encourages staff contributions at all levels both at a school and Trust level. Subject and pastoral hubs facilitate collaboration and conversation and the Heads of School all meet weekly to share knowledge and best practice. There are appropriate communication forums (Safeguarding, hubs) and structured meetings to ensure relevant communications take place between the Members and the Trustees and between the Local Advisory Boards and the Executive. The Trust generally provides information to employees by way of email and Trust visits to each school.

The Seckford Education Trust policy is to ensure equality of opportunities is afforded to all staff, students and stakeholders. Training, career development and promotion opportunities are available to all employees.

Disabled persons are afforded full and fair consideration in all employment practices and recruitment procedures. In the event of employees becoming disabled during employment every effort is made to support the employee to continue their existing role, including training and work based modifications.

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

During the Covid-19 pandemic the trust endeavoured to maintain a clear and well managed relationship with all stakeholders. The Government PPN/02/20 and PPN/04/20 guidance was referenced to determine best practice. The trust was able to maintain and develop engagement through different ways of working with stakeholders during the year.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period - Nil

Full-time equivalent employee number - Nil

Percentage of time spent on facility time

<i>Percentage of time</i>	<i>Number of employees</i>
0%	Nil
1-50%	Nil
51-99%	Nil
100%	Nil

Percentage of pay bill spent on facility time

Total cost of facility time Nil

Total pay bill Nil

Percentage of the total pay bill spent on facility time – 0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours – 0%

Related Parties and other Connected Charities and Organisations

The Trust was established by The Seckford Foundation, which up to 30 August 2021, was a member of the Trust and provided central finance, payroll, HR and other services to the Trust. A majority of the Trustees of the Trust were appointed by The Seckford Foundation via SET's Members

As from 1 September 2021 the only services provided by The Seckford Foundation are payroll and IT (transferred to the Trust on 1 October 2021) and a catering consultancy service. All other services transferred to the Trust. Third party support includes ICT, HR and DBS vetting.

Objectives and activities

Objects and Aims

The Trust's object is specifically restricted to the following: to advance for public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Objectives, Strategies and Activities

The Trust's strategic objectives as set out in the Trust Development Plan during the year were as follows:

- To be an outstanding organisation which improves the social mobility of our students and broadens their horizons with the MAT and all schools to be rated outstanding by the regulator;
- To grow the number of students benefiting from the education delivered by our Trust, in doing so improving our financial resilience;
- To become the employer of choice.

Public Benefit

In setting our objectives and planning our activities over the past year, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees are satisfied that due regard has been given to the public benefit guidance published by the Charity Commission, as required by Section 17 of the Charities Act 2011.

**Seckford Education Trust
Trustees' Report (Continued)
For The Year Ended 31 August 2021**

STRATEGIC REPORT

Achievements and Performance

The Trust separated from the Seckford Foundation in August 2021. As the Trust has developed and grown, the need for support from the Foundation has reduced and the Trustees have become more confident in SET managing its own central services. Changes were effected to the Memorandum and Articles of Association on 31 August 2021 which were approved by the ESFA and the separation was supported by the Regional Schools Commissioner's office.

Like all other schools across the country, this academic year has been significantly affected by Covid 19 and the recovery from the previous national lockdowns.

The Trust curriculum was adapted and re-written in response to progress through the online curriculum and emerging personal, social and health needs. Additional funding was used to support extra tuition, including the use of MyTutor and 1:1 tutors across English, maths and science. Enrichment was re-introduced across all schools to support the Trust's response to Covid recovery.

Our secondary schools ran robust processes around Centre Assessed Grades and the percentage of students identified as NEET is well below the national average. Students were awarded GCSE results based on teacher assessments.

In line with the Trust Development Plan, a public consultation was undertaken to seek support for the merging of SET Maidstone and Causton and the business case was submitted to the Regional Schools Commissioner's office in August.

Across the three secondary schools the Brilliant Club at either Key Stage 3 or Key Stage 4 has been run. The Brilliant Club is structured around seven tutorials, and students also attend two trips to the most competitive universities to speak with current undergraduates and learning about university life. Twelve students are in one placement, taught in two smaller groups of six. They work towards completing a challenging final assignment which is marked and moderated using university grades.

Covid-19

The Trust has incurred extra expenditure in the year as a result of Covid-19, in particular purchasing specialist cleaning materials and enhanced cleaning in preparation for the return of students in September 2021. The Trust did not claim any additional funding from the DFE.

Supply costs increased considerably during the academic year due to national guidance around shielding, self-isolation and the impact of Covid on colleagues' families.

The Trust also provided free school meal vouchers across all of the 2020-2021 holidays for qualifying families. The Trust did not claim any additional funding for this. The Trust also continued to run its enrichment programmes across all schools and settings albeit with moderations in line with national and DFE guidelines.

The Trust used Zoom and Teams to facilitate online PSHE, RSE and CEIAG sessions with external speakers. All Progress Evenings were facilitated via Teams.

The virus also impacted the schools' ability to let out its facility and fundraising events were cancelled. This has impacted on the levels of income during the year.

It is anticipated that some of the costs relating to the extra measures required for Covid-19 will continue into 2021/22 and will have an impact on the budget for that year. This includes supply costs.

Seckford Education Trust
Trustees' Report (Continued)
For The Year Ended 31 August 2021

Achievements and Performance

Key Performance Indicators

A summary high level KPI's for the Trust are set out below:	Trust	
	2021	2020
Pupil numbers	1,346	1,404
Staff costs as a % of income (excl. restricted fixed asset funds)	75%	74%
In year surplus/(deficit) on revenue funds (£'000)	2	144
Revenue reserves (£'000)	547	545
Revenue reserves as a % of annualised GAG income	6.6%	7.3%

A summary of the KPI's for the Trust Schools are set out below:

Secondary	SET Beccles School		SET Ixworth School		SET Saxmundham School	
	2021	2020	2021	2020	2021	2020
Ofsted rating	Good	Good	Good	Good	Good	Good

Primary	SET Maidstone		SET Causton	
	2021	2020	2021	2020
Ofsted rating	Good	Good	Good	Good

Data on attainment and attendance is not shown for 2021 and 2020 as comparable data is not available due to the impact of Covid-19.

Going Concern

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

Promoting the success of the company

Seckford Education Trust promote the success of the Charity to achieve its charitable purposes, as detailed in the Charity's objectives and activities and in doing so have paid due regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company.

Financial Review

The underlying financial performance for the year (excluding capital grants, depreciation, pension movements and assets transferred on conversion) was as follows:

	2021 £'000	2020 £'000
Income	10,446	9,503
Expenditure	(10,444)	(9,359)
Net underlying surplus for the year	2	144

Seckford Education Trust
Trustees' Report (Continued)
For The Year Ended 31 August 2021

Most of the Trust's income is obtained from the DfE in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Revenue grants of £9,433,149 (2020: £8,510,053) were received from the DfE, the Local Authority and other Government bodies. Expenditure relating to these grants amounted to £9,269,307 (2020: £8,267,838). Such grants and expenditure are shown in the restricted general fund in the Statement of Financial Activities. Unrestricted income and expenditure in the year amounted to £393,481 (2020: £382,697) and £429,788 (2020: £390,158) respectively.

Capital grants received from the DfE during the year amounted to £2,978,592 (2020: £558,878). These capital grants were provided to fund building work on the school buildings, fixtures and fittings and ICT equipment. In accordance with the Academies Accounts Direction, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation over the expected useful life of the assets concerned. The depreciation and amortisation charge for the year on these assets was £1,071,126 (2020: £1,151,238).

The restricted fixed asset fund also includes, within the balances brought forward, the fair value of the land and buildings occupied by the schools, for which the Trust entered into long term leases with Suffolk County Council. These properties are required to be recognised in the accounts as donated assets at their fair value at the date of transfer and have been included in the accounts based on external valuations at that date less depreciation.

Reserves Policy

The trustees have reviewed the level of reserves held by the Trust and intend to continually review this as part of the annual budget setting process and the regular review of management accounts. The policy of the Trust is to maintain a level of reserves that will be adequate to provide a stable basis for the continuing activity of the Trust having in mind such factors as fluctuations in anticipated student numbers, whilst ensuring that excessive funds are not accumulated. The Trust aims to achieve a level of reserves (excluding restricted fixed asset funds and pension reserve) equivalent to 3-8% of GAG income over the medium to long term. The financial impact of COVID19, increased costs and reduced income, have been managed in the short term and Trustees will continue to monitor and manage the financial impact for the medium to long term.

At 31 August 2021, the Trust had total reserves of £26,855,679 (2020: £26,020,544). This comprised £29,205,568 (2020: £27,173,282) of restricted fixed asset funds (which could only be realised by disposing of fixed assets) £(2,499,002) (2020: £(1,338,157)) of restricted general funds and £149,162 (2020: £185,420) of unrestricted funds. At 31 August 2021 the Trust held reserves (excluding restricted fixed asset funds and pension reserve) of £547,160 (2020: £545,257), representing 6.6% of annualised GAG income.

The liability on the pension reserve at 31 August 2021 was £2,897,000 (2020: £1,698,000) which relates to the Trust's share of the deficit of the Local Government Pension Scheme. This is a long term liability calculated based on actuarial assumptions and can fluctuate significantly depending upon factors such as investment returns, bond yields and mortality rates. Any liability on the scheme would not crystallise immediately and would only be payable over a long period of time by way of increased contributions to the scheme.

**Seckford Education Trust
Trustees' Report (Continued)
For The Year Ended 31 August 2021**

Investment Policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. The Trust aims to invest surplus cash funds to optimise returns, while minimising the risk of loss of these cash funds.

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Trust is exposed and systems and procedures have been established to manage those risks. A risk register is maintained which documents the likelihood and impact of each risk, together with control procedures and responsibilities. The Risk Register is updated regularly and reviewed termly by the Trust Board and Finance, Audit and Resources Committee.

The principal risks and uncertainties faced by the Trust are as follows:

- The Trust is reliant on funding from the Education and Skills Funding Agency - changes to the funding formula for schools may impact upon the level of income received by the Trust;
- Funding received is based on numbers of students enrolled at the Trust – failure to attract sufficient students to the schools would reduce the level of funding available to the schools;
- Staff are eligible to join either the Teachers' Pension Scheme or Local Government Pension Scheme – contributions to either scheme could increase in the future due to factors outside of the Trust's control which could increase expenditure or lead to a pension deficit being recorded;
- Impact of Covid-19 on teaching and learning and student/staff wellbeing;
- It is important that the Trust continues to recruit and retain suitably qualified and committed staff.

Financial and Risk Management Objectives and Policies

Financial policies and financial risks are reviewed regularly by the Finance, Audit and Resources Committee. Budgets are prepared on an annual basis and performance against budget and cash flow forecasts are reviewed termly. At the year end the Trust did not have any material liabilities which would have a significant effect on its liquidity.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	
Energy consumption used to calculate emissions (kWh)	2,668,940
Energy consumption break down (kWh) (optional)	
• gas	1,837,564
• electricity	628,539
• transport fuel	202,837
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	337.87
Owned transport – mini-buses	27.04
Total scope 1	364.91
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	146.54
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	7.70
Total gross emissions in metric tonnes CO ₂ e	519.15
Intensity ratio Tonnes CO ₂ e per pupil	0.38

Streamlined Energy and Carbon Reporting (continued)

Quantification and reporting methodology

We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

**Seckford Education Trust
Trustees' Report (Continued)
For The Year Ended 31 August 2021**

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Over recent years the Trust has sought to improve the energy efficiency of its school buildings with funding from the Condition Improvement fund for replacement of windows, roof coverings and boilers – each of which improves energy efficiency. This has continued in the most recent bidding round and funds have been secured for further roof replacement projects in two of the Trust's schools. During lockdown, many meetings have been held virtually reducing travel and we will continue to look to reduce mileage in this way by holding meetings virtually where appropriate.

Fundraising

The Academy Trust did not use any external fundraisers during the year. All fundraising undertaken during the year was monitored by the Trustees.

Plans for Future Periods

The Trust Board has recently carried out a review of its strategy and has identified the following two key strategic objectives for the next three years:

- Delivering consistent quality of education
- Building resilience, capacity and sustainability

Through this process, the Vision and mission were also re-defined.

Vision: inspiring, enabling and celebrating each and every young person's personal best.

Mission: to create an outstanding learning community for all.

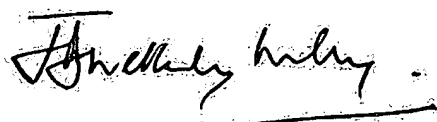
Following the successful opening of the new specialist units in September 2020 at SET Causton and SET Ixworth, new specialist units at SET Beccles and SET Saxmundham opened in September 2021. The Trust also submitted a significant change application to the RSC with a view to merging SET Maidstone and SET Causton from September 2022.

Auditors

Insofar 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 information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the Company's Directors, on 9 December 2021 and signed on the Board's behalf by:



James Wellesley Wesley
Chair of Trustees
Seckford Education Trust

Governance Statement For The Year Ended 31 August 2021

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Seckford Education 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 Trust Board has delegated day-to-day responsibility to the 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 Seckford Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust Board 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 Trust Board has formally met seven times during the year. Attendance during the year at meetings of the Trust Board was as follows:

	Meetings attended	Out of a possible
Mr N Alderton	7	7
Mr G Bruce	5	7
Ms Laura Barlow	2	2
Mr J Chin	6	7
Mr W Fletcher	6	7
Mrs J Garfield (Resigned 22 April 2021)	6	6
Ms J Gibbs (Resigned 25 February 2021)	5	5
Mr R Lane	7	7
Mr W Mayne	7	7
Mrs K Measures	6	7
Mrs V Nicholson	7	7
Mr J Wellesley Wesley (Chair)	7	7

The Board of Trustees (the 'Board') is responsible for influencing the MAT's strategic direction and for holding the CEO and trust leadership to account for academic performance and finances. The Board promotes the achievement and the wellbeing of the pupils. The three core functions of the Board are set out in the Governance Handbook and are supported by requirements of Charitable and Company Law.

The key priorities for the Board over the last academic year have centred on the sustainability of the Trust and ensuring that the budget and spend were justifiable and within acceptable parameters, whilst maintaining high standards and minimising any risk and impact to the pupils' experiences, safety, and outcomes. The Board has taken into consideration the continuous unprecedented circumstances created by the outbreak of Coronavirus (COVID-19) pandemic. Meetings of the Board continued as previously scheduled however most were moved to an on-line platform; the trustees are now meeting *face to face* subject to appropriate risk assessment.

The **Finance, Audit and Resources Committee** is a sub-committee of the Trust Board. Its purpose is to review and advise the Trust Board on the financial performance of the Trust and the safeguarding and use of its assets. Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Ms L Barlow	2	2
Mr J Chin (Chair)	4	4
Mr J Fisher	4	4
Ms J Gibbs (resigned 25 February 2021)	2	3
Mrs J Garfield (resigned 22 April 2021)	2	3
Mr J Wellesley Wesley	4	4

A detailed review of governance was carried out in 2020 following the transfer of Maidstone Infant School and Causton Junior School into the Trust, the Trust carried out a review of its governance structure. A review of the governance structure in 2020 resulted in the discontinuance of the Academic and Pastoral committees which were replaced with trustee spotlight meetings, each with a focus on a specific area.

**Seckford Education Trust
Governance Statement (Continued)
For The Year Ended 31 August 2021**

Review of Value For Money

The Accounting Officer has responsibility for ensuring that the 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 Trust'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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Review of benchmarking data comparing spend in key areas for each school against spend from comparable schools both within and outside of the Trust
- using common suppliers across all schools in many areas, which enables the Trust to secure better value for money than each school could have obtained independently, for example in areas such as catering and educational materials; and
- ensuring that there is appropriate challenge by Trustees and senior leadership on spending proposals to ensure funds are used to maximise educational impact.

Whilst COVID-19 presented financial challenges to the Trust, reduction of income and increased costs due to COVID-19 safety measures, this did not impact on the Trust's ability to secure value for money.

As a contracting authority the Trust paid regard to PPN 02/20 and PPN 04/20 but did not need to apply it.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the 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 in the Trust for the period from 1 September 2020 to 31 August 2021 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period from 1 September 2020 to 31 August 2021 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 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:

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board;
- regular reviews by the Finance and General Purposes 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 defining purchasing guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Seckford Education Trust
Governance Statement (Continued)
For The Year Ended 31 August 2021

The Board of Trustees considered the need for a specific internal audit function and bought in an internal audit service from MHA MacIntyre Hudson

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Areas tested included:

- Payroll processes
- Purchases and expenditure limits

The reviewer reports to the Board of Trustees through the Finance, Audit and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor delivered their schedule of work as planned and did not identify any material control issues.

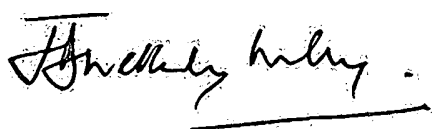
Review of Effectiveness

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

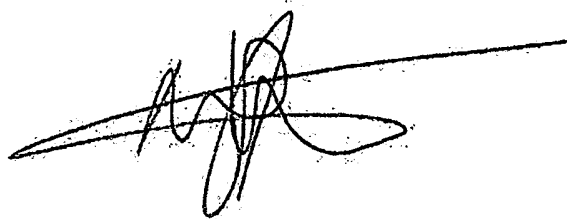
- oversight and review of financial systems and controls by the central finance team and Trust leadership
- the work of the internal auditor;
- the work of the external auditors;

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

Approved by order of the members of the Trust Board on 9 December 2021 and signed on its behalf by:



James Wellesley Wesley
Chair of Trustees



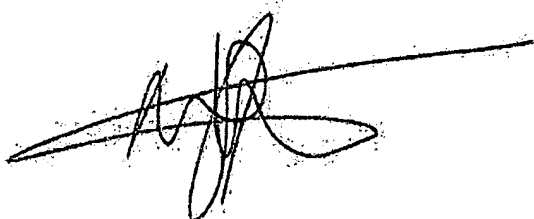
Mark Barrow
Accounting Officer

Seckford Education Trust
Statement on Regularity, Propriety and Compliance
For The Year Ended 31 August 2021

As Accounting Officer of Seckford Education 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 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular and improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Mark Barrow
Accounting Officer

Seckford Education Trust
Statement of Trustees' Responsibilities
For The Year Ended 31 August 2021

The Trustees (who act as governors of the Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency (ESFA), 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 movement in funds, including its income and, expenditure, for that year. In preparing these financial statements, the trustees are required to:

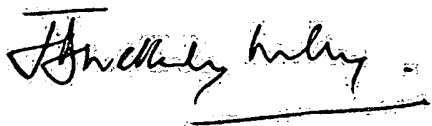
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 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 confirm 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 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 9 December 2021 and signed on its behalf by:



James Wellesley Wesley
Chair of Trustees

Independent Auditor's Report to the Members Of Seckford Education Trust

Opinion

We have audited the financial statements of Seckford Education Trust for the year ended 31 August 2021 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020-2021 issued by the Education and Skills Funding Agency.

In our opinion, the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including the 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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:

Independent Auditor's Report to the Members Of Seckford Education Trust

- the information given in the Trustees' Report (which includes the strategic report and the directors' report for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' 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 by the charitable company; 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 for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the academy trust and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, employment law, GDPR, safeguarding, academy regulations and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Academies Account Direction 2020- 2021, Companies Act and Charities Act 2011, and consider other factors such as VAT and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of override of controls, and determined the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

Independent Auditor's Report to the Members Of Seckford Education Trust

- Enquires of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Testing journals posted during the year; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.



Kathryn Burton (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 13th December 2021

Independent Auditor's Assurance Report on Regularity to the Trustees of Seckford Education Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 3 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Seckford Education Trust during the period from 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Seckford Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Seckford Education 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 Seckford Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Seckford Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Seckford Education Trust's funding agreement with the Secretary of State for Education dated 14 June 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 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:

- Walkthrough testing of controls to ensure operational effectiveness;
- Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised;
- Detailed testing on a selection of credit card statements and expense claims;
- Review of minutes, bank certificates and related party declarations provided by trustees and senior management.

Independent Auditor's Assurance Report on Regularity to the Trustees of Seckford Education Trust and the Education and Skills Funding Agency

Conclusion

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

Haysmacintyre LLP

Haysmacintyre LLP
Reporting Accountant
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 13th December 2021

Seckford Education Trust
Statement of Financial Activities (including Income and Expenditure Account)
For The Year Ended 31 August 2021

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and capital grants	2	-	7	2,979	2,985	573
Transfer from local authority on conversion	2	-	-	-	-	-
Charitable activities:						
Funding for the Academy Trust's educational operations	3	387	10,046	-	10,433	9,471
Other trading activities	4	6	-	-	7	18
Total		<u>393</u>	<u>10,053</u>	<u>2,979</u>	<u>13,424</u>	<u>10,062</u>
Expenditure on:						
Academy Trust educational operations	6,7	430	10,339	1,071	11,840	10,794
Other						
Total	7	<u>430</u>	<u>10,339</u>	<u>1,071</u>	<u>11,840</u>	<u>10,794</u>
Net income/(expenditure)		(37)	(286)	1,908	1,584	(732)
Transfers between funds	18		(125)	125	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(750)	-	(750)	(71)
Net movement in funds		<u>(37)</u>	<u>(1,161)</u>	<u>2,033</u>	<u>834</u>	<u>(803)</u>
Reconciliation of funds						
Total funds brought forward	18	185	(1,338)	27,173	26,020	26,823
Total funds carried forward		<u>148</u>	<u>(2,499)</u>	<u>29,206</u>	<u>26,855</u>	<u>26,020</u>

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The accompanying notes form part of these accounts.

Seckford Education Trust
Statement of Financial Activities (including Income and Expenditure Account)
For The Year Ended 31 August 2020

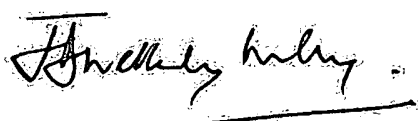
	Note s	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2020 £'000
Income and endowments from:					
Donations and capital grants	2	-	14	559	573
Transfer from local authority on conversion	2	-	-	-	-
Charitable activities:					
Funding for the Academy Trust's educational operations	3	364	9,107	-	9,471
Other trading activities	4	18	-	-	18
Investments	5				
		-----	-----	-----	-----
			--	-	
Total		382	9,121	559	10,062
		-----	-----	-----	-----
			-	-	
Expenditure on:					
Academy Trust educational operations	6,7	390	9,253	1,151	10,794
Other		-	-	-	-
		-----	-----	-----	-----
			-	--	
Total	7	390	9,253	1,151	10,794
		-----	-----	-----	-----
			--	--	
Net income/(expenditure)		(8)	(132)	(592)	(732)
Transfers between funds	18	-	(81)	81	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(71)	-	(71)
		-----	-----	-----	-----
			--	-	
Net movement in funds		(8)	(284)	(511)	(803)
Reconciliation of funds					
Total funds brought forward	18	193	(1,054)	27,684	26,823
		-----	-----	-----	-----
			-		
Total funds carried forward		185	(1,338)	27,173	26,020
		=====	=====	=====	=====

Seckford Education Trust
Balance Sheet
As at 31 August 2021

Registered Company No: 08077362

	Notes	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	12	-	-
Tangible assets	13	27,170	26,917
Current assets			
Stock	14	23	24
Debtors	15	2,632	371
Cash at bank and in hand		1,439	1,449
		<u>4,094</u>	<u>1,844</u>
Liabilities			
Creditors: amounts falling due within one year	16	(1,433)	(1,002)
Net current assets		<u>2,661</u>	<u>842</u>
Total assets less current liabilities		<u>29,831</u>	<u>27,759</u>
Creditors: Amounts falling due after more than one year	17	(79)	(41)
Net assets excluding pension liability		<u>29,752</u>	<u>27,718</u>
Defined benefit pension scheme liability	27	(2,897)	(1,698)
Total net assets		<u>26,855</u>	<u>26,020</u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	19	29,205	27,173
Restricted income fund	19	398	360
Pension reserve	19	(2,897)	(1,698)
Total restricted funds		<u>26,707</u>	<u>25,835</u>
Unrestricted income funds	19	<u>149</u>	<u>185</u>
Total funds		<u>26,855</u>	<u>26,020</u>

The financial statements on pages 20 to 42 were approved by the trustees, and authorised for issue on 9 December 2021 and signed on their behalf by



James Wellesley Wesley
Chair of Trustees

Seckford Education Trust
Statement of Cash Flows
For The Year Ended 31 August 2021

Cash flow statement	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by operating activities	21	(1,703)	932
Cash flows from investing activities	23	1,660	56
Cash flows from financing activities	22	33	-
Change in cash and cash equivalents in the year		<u>(10)</u>	<u>988</u>
		=====	=====
Cash and cash equivalents at 1 September 2020		1,449	461
Cash and cash equivalents 31 August 2021	24	<u>1,439</u>	<u>1,449</u>
		=====	=====

The accompanying notes form part of these accounts.

Seckford Education Trust
Notes to the Financial Statements
For The Year Ended 31 August 2021

1. 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 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), second edition – October 2020), the Academies Accounts Direction 2020 to 2021 and the July 2021 Supplementary Bulletin issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Seckford Education Trust meets the definition of a public benefit entity under FRS 102.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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 Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **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.

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

1. Statement of Accounting Policies (Continued)

Income (continued)

- **Other Income**

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

- **Donated goods, facilities and services**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets 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.

- **Donated fixed assets**

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. Where the Trust enters into a lease for a property and the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the Trust, the asset is recognised on the balance sheet as a fixed asset, with a corresponding entry to voluntary income as a gift in kind at fair value. Such assets are valued by an independent valuer on a Depreciated Replacement Cost basis.

Expenditure

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

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

All expenditure is inclusive of irrecoverable VAT.

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

1. Statement of Accounting Policies (Continued)

Intangible Fixed Assets

Intangible assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	3 years
-----------------------------	---------

Tangible Fixed Assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold buildings	25 years, or the term of the lease if shorter
Leasehold improvements	25 years, or the term of the lease if shorter
Fixtures, fittings and equipment	5 years
ICT equipment	3 years

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

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.

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.

Leased assets

Rentals under operating leases are charged on an invoiced basis over the lease term.

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

1. Statement of Accounting Policies (Continued)

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.

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 as detailed in notes 16 and 17. 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.

Stock

Catering stock is valued at the lower of cost or net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 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 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. As stated in note 26, 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.

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

1. Statement of Accounting Policies (Continued)

Pensions Benefits (continued)

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 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.

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

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

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.

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 26, 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 2020 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
Capital grants	-	2,979	2,979
Donations	7	-	7
	<u>7</u>	<u>2,979</u>	<u>2,986</u>
	=====	=====	=====

2020 COMPARATIVE FIGURES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Capital grants	-	559	559
Donations	-	14	14
	<u>-</u>	<u>573</u>	<u>573</u>
	=====	=====	=====

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	
DfE / ESFA grants				
General Annual Grant (GAG)	-	8,240	8,240	
Start up Grants	-	-	-	
Other DfE / ESFA grants -	-			
UIFSM		33	33	
Pupil Premium		500	500	
Others		480	480	
Other DfE Group grants	<u>-</u>	<u>9,253</u>	<u>9,253</u>	
	=====	=====	=====	
Other Government grants				
Local authority grants	-	607	607	
Other Government Grants	-	1	1	
	<u>-</u>	<u>608</u>	<u>608</u>	
	=====	=====	=====	
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium		116	116	
Covid Testing Grant		64	64	
Other income from the trust's educational operations	<u>387</u>	<u>5</u>	<u>392</u>	<u>5</u>
	=====	=====	=====	=====
	387	10,046	10,433	10,046

Seckford Education Trust
Notes to the Financial Statements
(Continued)
For The Year Ended 31 August 2021

2020 COMPARATIVE FIGURES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
DfE / ESFA grants			
General Annual Grant (GAG)	-	7,460	7,460
Start up Grants	-	35	35
Other DfE / ESFA grants	-	1,015	1,015
	<hr/>	<hr/>	<hr/>
	-	8,510	8,510
	<hr/>	<hr/>	<hr/>
Other Government grants			
Local authority grants	-	527	527
Other Government Grants	-	-	-
	<hr/>	<hr/>	<hr/>
	-	527	527
	<hr/>	<hr/>	<hr/>
Other income from the trust's educational operations	364	70	434
	<hr/>	<hr/>	<hr/>
	364	9,107	9,471
	<hr/>	<hr/>	<hr/>

4 OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000
Hire of facilities	7	-	7
	<hr/>	<hr/>	<hr/>

2020 COMPARATIVE FIGURES

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000
Hire of facilities	18	-	18
	<hr/>	<hr/>	<hr/>

5. EXPENDITURE

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other costs £'000	Total 2021 £'000
Expenditure on raising funds				
Academy's educational operations:				
- Direct costs	6,504	53	761	7,318
- Allocated support costs	1,316	2,058	1,148	4,522
	<hr/>	<hr/>	<hr/>	<hr/>
	7,820	2,111	1,909	11,840
	<hr/>	<hr/>	<hr/>	<hr/>

2020 COMPARATIVE FIGURES

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other costs £'000	Total 2020 £'000
Expenditure on raising funds				
Academy's educational operations:				
- Direct costs	5,808	55	640	6,503
- Allocated support costs	1,267	1,963	1,061	4,291
	<hr/>	<hr/>	<hr/>	<hr/>
	7,075	2,018	1,701	10,794
	<hr/>	<hr/>	<hr/>	<hr/>

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

6. EXPENDITURE (continued)

Expenditure on the academy trust's educational operations was £11,839,000 (2020: £10,795,000) of which £430,000 was unrestricted (2020: £390,000), £10,339,000 restricted (2020: £9,253,000) and £1,071,000 restricted fixed assets (2020: £1,151,000).

	2021 £'000	2020 £'000
Net income/(expenditure) for the year includes:		
Operating leases – other leases	62	64
Depreciation	1,071	1,151
Amortisation of intangible fixed assets		-
Fees payable to the auditor for		
- audit	12	15
- other services	5	5
	=====	=====

Included within expenditure are the following transactions:

	2021 £	2020 £
Gifts made by the Trust	36	92
Unrecoverable debts	91,100	25,038
	=====	=====

No individual transactions exceeded £5,000 (2020: Nil).

7. CHARITABLE ACTIVITIES

	Total 2021 £'000	Total 2020 £'000
Direct costs – educational operations	7,318	6,503
Support costs – educational operations	4,522	4,291
	<u>11,840</u>	<u>10,794</u>
Analysis of support costs		
Educational operations:		
Support staff costs	1,316	1,267
Depreciation	1,018	1,096
Technology costs	57	48
Premises costs	736	533
Other support costs	1,371	1,315
Governance costs	24	32
	<u>4,522</u>	<u>4,291</u>

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

8. STAFF	2021 £'000	2020 £'000
a) Staff costs		
Staff costs during the year were:		
Wages and salaries	5,444	4,952
Social security costs	498	449
Operating costs of defined benefit pension schemes	1,640	1,457
	<u>7,582</u>	<u>6,858</u>
Supply staff costs	206	176
Staff restructuring costs	32	41
	<u>7,820</u>	<u>7,075</u>
	=====	=====
Staff restructuring costs comprise:		
Redundancy payments	2	41
Severance payments	30	-
Other restructuring costs	-	-
	<u>32</u>	<u>41</u>
	=====	=====

b) Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is one non-statutory/non-contractual severance payments totalling £30,000 (2020: £Nil).

c) Staff numbers

The average number of persons (including senior management team) employed by the Trust during the year was as follows:

	2021 No.	2021 Full time equivalent	2020 No.	2020 Full time equivalent
Charitable activities				
Teachers	104	83	105	81
Educational support	67	43	60	37
Administration and other support	124	42	122	42
Management	5	5	3	3
	<u>300</u>	<u>173</u>	<u>290</u>	<u>163</u>
	=====	=====	=====	=====

d) Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	2	-
£70,001 to £80,000	-	1
£80,001 to £90,000	-	1
£100,001 to £110,000	1	1
£110,001 - £120,001	-	-
£120,000 +	1	-
	<u>1</u>	<u>-</u>
	=====	=====

e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management as listed on page 1. The total amount of employee benefits (including employer's national insurance and pension contributions) received by key management personnel for their services to the academy trust was £444,258 (2020: £445,956).

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

No trustees have been paid remuneration or received other benefits from an employment with the academy trust during the year.

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil were reimbursed to trustees (2020: £Nil)

Other related party transactions involving the trustees are set out in Note 28.

10. TRUSTEES' AND OFFICERS INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. This is through the Department for Education's Academy Risk Protection Arrangement (RPA), which provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

11. CENTRAL SERVICES

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

- Finance and payroll services;
- Human resources services;
- Management and educational support services;
- Catering and estates management;
- IT support services;
- Marketing services

The Trust charges for these services are apportioned to each school based on income.

	2021	2020
	£'000	£'000
The actual amounts charged during the year were as follows:		
SET Beccles School	117	124
SET Saxmundham School	114	168
SET Ixworth School	98	119
SET Causton Junior School	28	22
SET Maidstone Infant School	49	16
	<u>406</u>	<u>449</u>
	=====	=====

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

12. INTANGIBLE FIXED ASSETS

	Computer software £'000	Total £'000
Cost		
At 1 September 2020	7	7
Additions	-	-
Disposals	-	-
	<u>7</u>	<u>7</u>
At 31 August 2021	7	7
Amortisation		
At 1 September 2020	7	7
Charged in year	-	-
Disposals	-	-
	<u>7</u>	<u>7</u>
At 31 August 2021	7	7
Carrying amount		
At 31 August 2021	-	-
	<u>=====</u>	<u>=====</u>
At 31 August 2020	-	-
	<u>=====</u>	<u>=====</u>

13. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £'000	Leasehold improvements £'000	Assets Under construction £'000	Furniture And Equipme nt £'000	Computer equipment £'000	Total £'000
Cost						
At 1 September 2020	18,425	14,312	-	977	370	34,084
Additions	-	741	476	6	101	1,324
Disposals						
	<u>18,425</u>	<u>15,053</u>	<u>476</u>	<u>983</u>	<u>471</u>	<u>35,408</u>
At 31 August 2021	18,425	15,053	476	983	471	35,408
Depreciation						
At 1 September 2020	2,250	3,714	-	969	234	7,167
Charged in year	482	534	-	2	53	1,071
Disposals						
	<u>2,732</u>	<u>4,248</u>	<u>-</u>	<u>971</u>	<u>287</u>	<u>8,238</u>
At 31 August 2021	2,732	4,248	-	971	287	8,238
Net Book Value						
At 31 August 2021	15,693	10,805	476	12	184	27,170
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
At 31 August 2020	16,175	10,598	0	8	136	26,917
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

Leasehold land and buildings represent land and buildings at the school sites which are each leased from Suffolk County Council on 125 year leases.

SET Saxmundham School was valued on 26 October 2012 by DVS Property Specialists at £3,533,170 on a depreciated replacement cost basis. SET Beccles School was valued on 19 September 2014 by DVS Property Specialists at £3,704,560. SET Ixworth School was valued on 17 September 2014 by DVS Property Specialists at £5,504,510 on a depreciated replacement cost basis. SET Causton and SET Maidstone were valued on 22 August 2020 by DVS Property Specialists at a total of £5,683,400 on a depreciated replacement cost basis.

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

14. STOCK

	2021	2020
	£'000	£'000
Catering	7	8
Uniform	16	16
	<u>23</u>	<u>24</u>
	=====	=====

15. DEBTORS

	2021	2020
	£'000	£'000
Grant income receivable	2,236	104
VAT recoverable	187	75
Prepayments and accrued income	182	151
Other debtors	27	41
	<u>2,632</u>	<u>371</u>
	=====	=====

16. CREDITORS: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	383	400
Other taxation and social security	236	221
ESFA creditor: abatement of GAG	340	136
Other creditors	9	22
Accruals and deferred income	465	223
	<u>1,433</u>	<u>1,002</u>
	=====	=====
Deferred income		
Deferred income at 1 September 2020	70	67
Resources deferred in the year	52	70
Amounts released from previous years	(70)	(67)
	<u>52</u>	<u>70</u>
	=====	=====

At the balance sheet date the Trust was holding funds received in advance for school lunches and activities relating to 2021/21.

Included within other creditors above are Salix and CIF loans of £8,698 from ESFA under the Condition Improvement Fund. These are provided interest-free with repayments over a period of up to 10 years.

17. CREDITORS: amounts falling due in greater than one year

	2021	2020
	£'000	£'000
Other creditors	79	41
	=====	=====

Included within other creditors above are Salix and CIF loans of £79,229 from ESFA under the Condition Improvement Fund. Salix loans are provided interest-free with repayments over a period of up to 10 years.

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

18. FUNDS

	Balance at 31 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Gains, Losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	346	8,240	(8,072)	(126)	388
UIFSM	-	33	(33)	-	-
Start up grants					
Pupil Premium	-	500	(500)	-	-
Catch-up premium -	-	116	(116)	-	-
Other DfE/ESFA					
COVID-19	-			-	-
Funding	-	64	(64)	-	-
Other grants	4	481	(485)		
Trips and visits	-	3	(4)	1	-
Other restricted funds	10	616	(616)	-	10
Pension reserve	(1,698)	-	(449)	(750)	(2,897)
	<u>(1,338)</u>	<u>10,053</u>	<u>(10,339)</u>	<u>(875)</u>	<u>(2,499)</u>
Restricted fixed assets funds					
Transfer from local authority	16,266	587	(483)	-	16,370
ESFA Capital Grants	10,848	2,392	(527)	-	12,713
Capital expenditure from GAG	59	-	(62)	125	122
	<u>27,173</u>	<u>2,979</u>	<u>(1,072)</u>	<u>125</u>	<u>29,205</u>
Total restricted funds	<u>25,835</u>	<u>13,032</u>	<u>(11,411)</u>	<u>(750)</u>	<u>26,706</u>
Unrestricted funds					
Unrestricted funds	185	393	(429)	-	149
Total funds	<u>26,020</u>	<u>13,425</u>	<u>11,840</u>	<u>(750)</u>	<u>26,855</u>

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

2020 COMPARATIVE FIGURES	Balance at 31 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Gains, Losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	194	7,460	(7,218)	(90)	346
Start up grants	-	35	(35)	-	-
Pupil Premium	-	515	(515)	-	-
Other grants	4	500	(500)	-	4
Trips and visits	-	50	(59)	9	-
Other restricted funds	10	561	(561)	-	10
Pension reserve	(1,262)	-	(365)	(71)	(1,698)
Transfer from Local Authority	-				
	<u>(1,054)</u>	<u>9,121</u>	<u>(9,253)</u>	<u>(152)</u>	<u>(1,338)</u>
Restricted fixed assets funds					
Transfer from local authority	16,189	559	(482)	-	16,266
ESFA Capital Grants	11,469	-	(621)	-	10,848
Capital expenditure from GAG	26	-	(48)	81	59
	<u>27,684</u>	<u>559</u>	<u>(1,151)</u>	<u>81</u>	<u>27,173</u>
Total restricted funds	<u>26,630</u>	<u>9,680</u>	<u>(10,404)</u>	<u>(71)</u>	<u>25,835</u>
Unrestricted funds					
Unrestricted funds	193	382	(390)	-	185
Total funds	<u>26,823</u>	<u>10,062</u>	<u>(10,794)</u>	<u>(71)</u>	<u>26,020</u>

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

18. FUNDS (continued)

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

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

- General Annual Grant and start up grants are funding from the ESFA to fund the operating costs of the schools.
- Other ESFA grants include grants for insurance, rates and Year 7 catch up premium.
- ESFA Capital Grants were provided to fund the purchase of fixed assets including leasehold improvements at the school buildings, furniture and fittings and computer equipment.

The transfer between funds represents capital expenditure funded from GAG and costs of school trips and visits which have been partly funded from GAG and unrestricted funds.

Total funds analysis by academy

	Total 2021 £'000	Total 2020 £'000
Fund balances at 31 August 2021 were allocated as follows:		
SET Beccles School	(175)	18
SET Saxmundham School	222	367
SET Ixworth School	50	(122)
SET Causton	370	184
SET Maidstone	97	71
Central Services	(17)	27
	<hr/>	<hr/>
Total before fixed assets and pension reserve	547	545
Restricted fixed asset fund	29,205	27,173
Pension reserve	(2,897)	(1,698)
	<hr/>	<hr/>
Total	26,855	26,020
	<hr/>	<hr/>

SET Ixworth School is now carrying a net surplus of £49,665 at 31 August 2021 (2020: deficit £121,814). In September 2020, the school was oversubscribed for year 7 applications and this has been mirrored in September 2021.

SET Beccles is carrying a net deficit of £174,515 (2020: £17,763 surplus) due to falling pupil numbers. Actions have been taken to reduce costs and improve student recruitment.

Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2021 £'000
SET Beccles School	1,426	353	91	625	2,495
SET Saxmundham School	1,698	348	93	805	2,944
SET Ixworth School	1,596	279	103	664	2,642
SET Causton	1,151	199	68	244	1,662
SET Maidstone	628	137	22	190	977
Central Services	4	-	5	40	49
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,503	1,316	382	2,568	10,769
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

18. FUNDS (continued)

Total cost analysis by academy (2020 COMPARATIVE FIGURES)

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total 2020 £'000
SET Beccles School	1,159	326	73	564	2,122
SET Saxmundham School	1,726	380	62	813	2,981
SET Ixworth School	1,078	215	48	602	1,943
SET Causton	1,129	194	71	191	1,585
SET Maidstone	680	152	22	133	987
Central Services	36	-	3	(14)	25
	<u>5,808</u>	<u>1,267</u>	<u>279</u>	<u>2,289</u>	<u>9,643</u>
	=====	=====	=====	=====	=====

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed assets Funds £'000	Total Funds £'000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	27,170	27,170
Net current assets	149	398	2,114	2,661
Non-current liabilities	-	-	(79)	(79)
Pension scheme liability	-	(2,897)	-	(2,897)
Total net assets	<u>149</u>	<u>2,499</u>	<u>29,205</u>	<u>26,855</u>
	=====	=====	=====	=====

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed assets Funds £'000	Total Funds £'000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	26,918	26,918
Net current assets	185	360	296	841
Non-current liabilities	-	-	(41)	(41)
Pension scheme liability	-	(1,698)	-	(1,698)
Total net assets	<u>185</u>	<u>(1,338)</u>	<u>27,173</u>	<u>26,020</u>
	=====	=====	=====	=====

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

20. FINANCIAL COMMITMENTS

Operating leases

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

	2021 £'000	2020 £'000
Amounts due within one year	63	68
Amounts due within one and five years	54	117
Amounts due after five years	-	-
	<u>117</u>	<u>185</u>
	=====	=====

Capital commitments

At 31 August 2021 the Trust had capital commitments of £2,214k (2020: £154,109) in respect of building work contracted but not completed at: SET Beccles School; SET Saxmundham School; SET Causton School(2020: SET Beccles School and SET Saxmundham School). Additional Salix loans, to support these commitments, due in 2022 total £69,573

21. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2021 £'000	2020 £'000
Net (expenditure)/income for the year	1,584	(732)
Adjusted for:		
Net assets transferred on conversion	-	-
Amortisation (note 12)	-	-
Depreciation (note 13)	1,071	1,151
Capital grants from ESFA and other capital income	(2,979)	(559)
Interest receivable	-	-
Defined benefit pension scheme cost less contributions payable (note 26)	417	338
Defined benefit pension finance cost (note 26)	32	27
Decrease / (Increase) in stock	1	(18)
(Increase)/decrease in debtors	(2,260)	260
Increase/(decrease) in creditors	431	465
Net cash provided by operating activities	<u>(1,703)</u>	<u>932</u>
	=====	=====

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £'000	2020 £'000
Repayments of borrowing	(13)	-
Net cash inflows from borrowing	46	-
Net cash provided by financing activities	<u>33</u>	<u>-</u>
	=====	=====

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £'000	2020 £'000
Interest received	-	-
Purchase of tangible fixed assets	(1,319)	(503)
Capital grants from DfE/ESFA	2,979	559
Net cash (used in)/ provided by investing activities	<u>1,660</u>	<u>56</u>
	=====	=====

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Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 August 2021 £'000	At 31 August 2020 £'000
Cash in hand and at bank	1,439	1,449
Total cash and cash equivalents	<u>1,439</u> =====	<u>1,449</u> =====

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £'000	Cash flows £'000	At 31 August 2021 £'000
Cash	1,449	(10)	1,439
Loans falling due within one year	(15)	6	(9)
Loans falling due after more than one year	(41)	(38)	(79)
Total	<u>1,393</u> =====	<u>(42)</u> =====	<u>1,351</u> =====

26. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

27. PENSION AND SIMILAR OBLIGATIONS

The 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 Suffolk County Council. Both are defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016. Contributions amounting to £126,824 (2020: £116,572) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

Seckford Education Trust
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For The Year Ended 31 August 2021

27. PENSION AND SIMILAR OBLIGATIONS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2020. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218.1 billion and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196.1 billion, giving a notional past service deficit of £22 billion
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the period amounted to £826,622 (2020: £765,462).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £460,000 (2020: £414,000), of which employer's contributions totalled £365,000 (2020: £330,000) and employees' contributions totalled £95,000 (2020: £84,000). The agreed contribution rates for future years are 19.8 per cent for employers and a range between 5.5 per cent and 12.5 per cent for employees based on income.

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.

	At 31 August 2021	At 31 August 2020
Principal Actuarial Assumptions		
Rate of increase in salaries	3.6%	2.9%
Rate of increase for pensions in payment/inflation	2.9%	2.2%
Discount rate for scheme liabilities	1.65%	1.7%

Seckford Education Trust
Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

27. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2021	At 31 August 2020
Retiring today		
Males	22.1	21.9
Females	24.5	24.1
Retiring in 20 years		
Males	23.2	22.7
Females	26.4	25.6

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities and the approximate monetary amount are set out below:

	At 31 August 2021 £'000	At 31 August 2020 £'000
0.5% decrease in discount rate	850	594
0.5% increase in salary increase rate	25	20
0.5% increase in pension increase rate	820	567

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	2,101	1,360
Bonds	796	599
Cash	64	138
Property	223	208
Total market value of assets	3184	2,305
	=====	=====

The actual return on scheme assets was £425,000 (2020: £16,000).

Amount recognised in the statement of financial activities	2021 £'000	2020 £'000
Current service cost (net of employee contributions)	(782)	(668)
Net interest cost	(32)	(27)
Past service cost	-	-
Total operating charge	(814)	(695)
	=====	=====

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Notes to the Financial Statements (Continued)
For The Year Ended 31 August 2021

27. PENSION AND SIMILAR OBLIGATIONS (continued)

Changes in the present value of defined benefit obligations were as follows	2021 £'000	2020 £'000
At 1 September	4,003	3,149
Transfer in on academies joining the Trust	-	-
Current service cost	782	668
Interest cost	75	67
Employee contributions	95	84
Actuarial (gain) / loss	1,132	47
Benefits paid	(6)	(12)
At 31 August	<u>6,081</u>	<u>4,003</u>
	=====	=====
Changes in the fair value of academy's share of scheme assets:	2021 £'000	2020 £'000
At 1 September	2,305	1,887
Transfer in on academies joining the Trust	-	-
Interest income	43	40
Return on plan assets (excluding net interest on the defined benefit liability)	382	(24)
Employer contributions	365	330
Employee contributions	95	84
Benefits paid	(6)	(12)
At 31 August	<u>3,184</u>	<u>2,305</u>
	=====	=====

The actuarial gain/(loss) on defined benefit pension schemes reported in the SOFA of (£750,000) (2020: loss of (£71,000)) represents the actuarial gain/(loss) of (£1,132) (2020: (£47,000)) plus the return on plan assets of gain (£382,000) (2020: (£24,000)).

28. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the year of account:

The Seckford Foundation – a charitable company, which is a member of the Trust:

- During the year the Trust was charged £437,390 (2020: £463,338) by the Foundation for the provision of central services and £19,490 (2020: £14,110) relating to recharges of costs, all of which are charged at or below cost in accordance with the Academies Financial Handbook;
- At 31 August 2021 £Nil; (2020: £5,684) was owed by the Trust to the Foundation and £Nil (2020: £Nil) was owed by the Foundation to the Trust.
- In entering into the above transactions, the Trust has complied with the requirements of the ESFA's Academies Financial Handbook 2020.

Lapwing Suffolk Ltd - a company in which Mr W Fletcher (a trustee of the Trust) is CEO
The Trust was charged £6,392 (2020: £Nil) for services provided by Lapwing Suffolk Ltd during the year.

There were no amounts outstanding at 31 August 2021 (2020: Nil)

Other than the matters disclosed above, there are no other related party transactions requiring disclosure in the current or prior year.