
SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 17
Governance Statement	18 - 21
Statement on Regularity, Propriety and Compliance	22
Statement of Trustees' Responsibilities	23
Independent Auditor's Report on the Financial Statements	24 - 26
Independent Reporting Accountant's Report on Regularity	27 - 28
Statement of Financial Activities Incorporating Income and Expenditure Account	29 - 30
Balance Sheet	31 - 32
Statement of Cash Flows	33
Notes to the Financial Statements	34 - 59

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Allen K Crawshaw E Tunnard D Gough (resigned 18 October 2018) D Matthews S Anwyl (appointed 18 October 2018)
Trustees	M Allen, Chairman K Crawshaw J Bradshaw D Grover C Dillon (resigned 16 October 2018) M Lowe P Stead M Shipman (appointed 18 January 2019) J Doyle (appointed 15 February 2019)
Company registered number	10460387
Company name	Sheffield South East Trust
Principal and registered office	Manor Lodge Community Primary And Nursery School Manor Lane Sheffield S2 1UF
Senior management team	J Bradshaw, Chief Executive Officer C Whittingham, Headteacher - Acres Hill Community Primary School R Cuff, Headteacher - Manor Lodge Community Primary School A Clarke, Headteacher - Norfolk Community Primary School G Briggs, Headteacher - Philmore Community Primary School H Thornley, Headteacher - Wybourn Community Primary School

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditor Mazars LLP
Chartered Accountants
Statutory Auditor
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Bankers Lloyds Bank
Furnival Street
Sheffield
S4 7YB

Solicitors Stone King
1 Aire Street
Leeds
LS1 4PR

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the audited financial statements and independent auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a director's report under company law.

Structure, governance and management

a. Constitution

The multi-academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi-academy trust. The Trustees of Sheffield South East Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sheffield South East Trust.

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.

b. Members' liability

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

c. Trustees' indemnities

There have been no qualifying third party indemnity provisions in place for the year 1 September 2018 to 31 August 2019 (2018: £Nil).

d. Method of recruitment and appointment or election of Trustees

The method of recruitment and appointment of Trustees is described in the articles and memorandum of association. There must be a minimum quorum of three Trustees, one of which will be the Chief Executive Officer. The members may appoint up to six through such process as they may determine. Including the Chief Executive Officer, the number of Trustees who are also employees shall not exceed one third of the total number of Trustees. The Trustees may also choose to appoint up to three 'Co-opted Trustees'.

Trustees serve a term of office of four years and may be re-appointed or re-elected.

e. Policies adopted for the induction and training of Trustees

The Trustees have a vital role in our organisation. We aim to attract and retain people who have commitment, experience and the necessary skills to make a difference in the communities that we serve.

Training for the Trustees is recorded, and delivered on different levels:

- There is a training element to each main meeting delivered in-house
- External speakers deliver key elements, particularly covering statutory responsibilities
- This is supplemented by attendance at city (Learn Sheffield Governor/ Trustee Subscription) and regional events
- Email alerts from National Bodies and Trust membership to The Key.
- Partnership with Ambition Institute providing bespoke accredited training to Chair and CEO.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. Organisational structure

The Chief Executive is the Accounting Officer of the Trust and, as such has ultimate responsibility for the operations and controls in place. At the point of approval of these financial statements Sheffield South East Trust included the following academies:

Academy	Date of Conversion	Type
Acres Hill Community Primary School	1 December 2016	Primary (Sponsored)
Manor Lodge Community Primary and Nursery School	1 December 2016	Primary
Phillimore Community Primary School	1 December 2016	Primary
Wybourn Community Primary and Nursery School	1 December 2016	Primary (lead school)
Norfolk Community Primary School	1 January 2017	Primary (Sponsored)

Sheffield South East Trust has an experienced Board of Trustees in place, which are responsible for identifying and establishing strategies and policies and for ensuring they are implemented. Where appropriate, duties are delegated to committees, and employees of Sheffield South East Trust.

During the year to 31 August 2019 the Board of Trustees had a Finance, Audit and Risk Committee and a Standards and Performance Committee to assist them in carrying out their responsibilities.

Committee terms of reference are reviewed and agreed on an annual basis by the Board of Trustees. The Trustees have a detailed scheme of delegation for effective and efficient decision making for its committees and senior staff throughout Sheffield South East Trust.

The appointment of Trustees, auditors, approval of annual financial statements and budgets, along with the approval of policies and procedures implemented within the Trust remain the responsibility of the Board.

g. Arrangements for setting pay and remuneration of key management personnel

When considering and setting salary levels across the trust a clear set of principles are followed to ensure transparency. During the reporting period decisions on senior pay were made in December 2018 in relation to the CEO's pay, this was conducted by an organisation external to the Trust and reviewed by Trustees; and Headteacher pay which was conducted by the CEO and reviewed by Trustees.

h. Trade union facilities time

Sheffield South East Trust subscribes to the Sheffield City Council arrangement for Trade Union facilities time. The cost of this subscription was £6k in 2018/19. The service allows representation from Sheffield City Council's recognized trade unions to represent their members in Sheffield schools on an individual or collective basis. This is a statutory obligation (Trade Union and Labour Relations (Consolidated) Act 1992 and the Employment Act 2002) on all schools to provide facilities time. This arrangement provides the following benefits:

- The Trade Union facilities time plays a very useful role in ensuring basic employer rights so that all staff have a consistent city-wide representation;
- Schools benefit from access to the experienced full time officers with schools across the city;
- Without this input, the Trust would have to reach agreements directly with each Trade Union to ensure the statutory rights of Trade Unions and employees are met

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

i. Disabled persons

Each school will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise. Through the support and guidance of Occupational Health, employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the academy.

During employment, the school seeks to work with employees, taking into account their personal circumstances to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

j. Connected organisations including related party relationships

During the reporting period there were no related parties, connected charities or organisations. The Trust have a pecuniary and business interests' policy in place. Declared business and pecuniary interests can be viewed on the Trust's website.

Objectives and activities

a. Objects and aims

SSET will work with urgency to improve the quality of learning and outcomes for all children.

Our vision is, through a holistic and inclusive approach, to enhance learning and lifelong outcomes for all children in our schools. We know that we are stronger together, working together for the benefit of all children and for the achievement of all children and their families. We support and engender the ambition to raise the aspirations of all children and of all families. This is evident in everything that we do. Our aims include:

- a creative and engaging curriculum.
- high quality provision
- innovative and imaginative
- develop parental partnerships
- creating an involvement in the child's development at the earliest point
- all children are ready for the next stage of their life
- work tirelessly to fill gaps and to improve
- seeking new ideas and experiences that benefit our children
- creative curriculum develops the whole child
- recognise special talents whether that be in sports, music or in the arts.
- high quality teaching
- best educational support that is available for our children and families.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

As a Trust we are committed to securing high quality teaching and are innovative in recruiting to all positions with high quality professionals. In so doing we will improve recruitment and deployment of staff. We aim to provide world class professional opportunities for our staff. We share resources across the Trust to broker the best educational support that is available for our children and families.

Quality of Learning

SSET work with urgency to improve the quality of learning and outcomes for all children.

Leadership

- Ensure there is quality leadership at all levels, within each school and centrally within the Trust.
- Ensure consistent pupil standards and progress through the professional development of staff and governors.
- Develop interface and effective communication at all levels (Trustees, Governors, school leaders) regarding pupil progress.

Assessment and Monitoring

- Embed accurate assessment and effective use of performance data.
- Use targeted approaches to identified gaps in attainment and achievement through school and Trust self-evaluation.
- Embed a programme of monitoring and externally moderated reviews.

Quality of Education

- Deploy and recruit staff appropriately so every child has a good teacher.
- Improve teaching that requires improvement, ensuring that this is sustained in the classroom, all the time.
- Share good practice across SSET, providing peer to peer support.
- Take risks and develop an outward looking perspective, being open to change.

Curriculum

- Ensure pupils reading, writing and maths skills prepare them for the next stage in their education.
- Develop and build upon pupil's individual skills and talents in all areas.
- Prioritise well sequenced and structured curriculum development, in all areas including foundation subjects.
- Support and nurture family involvement in education.
- Emphasise quality Early Years provision and early intervention.
- Meet the needs of all groups of learners, including those with SEND, through a truly inclusive approach.
- Ensure behaviour for learning enables outcomes to improve.

Intervention

- Ensure capacity and a clear route to intervene when necessary.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

c. Public benefit

In pursuing the Trust's objectives outlined above, the Trustees have complied with their duty to have due regard to the Charity Commission's general guidance on public benefit and supplementary guidance on education as published on their website.

Strategic report

Achievements and performance

The context of children attending schools within Sheffield South East Trust is:

- 53% of pupils are categorised as disadvantaged (Pupil Premium), compared to 24% Nationally
- Within SSET, Manor Lodge and Wybourn have the highest level of disadvantaged pupils at 61%
- 57% of pupils are categorised as BME and 4 out the 5 schools have numbers significantly above the National Average.
- 38% of pupils have English as an additional language.
- 20% of pupils have SEND compared to 15% nationally.
- Fixed Term Exclusion rates are decreasing across the Trust (2018 3.7% compared to 2019 1.7%)
- Absence rates within the Trust (4.4%) are equal to Sheffield, but above National (4.2%). Based on the data capture in 2017 and 2018, persistent absence within SSET is decreasing (17% 2017 – 15% 2018), however this is still above National (8.7%)
- Mobility is significantly higher than national average in most SSET schools.

The following tables outline the educational performance of pupils attending schools within Sheffield South East Trust.

A summary of Foundation Stage Outcomes

Foundation Stage GLD %	2017	2018	2019
Acres Hill	35	54	60
Manor Lodge	62	60	64
Phillimore	64	60	52
Norfolk	40	66	48
Wybourn	55	60	46
SSET	53	60	53
Sheffield	70	70	70
National	71	72	72

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Performance Summary

Within SSET the key areas of performance to be identified are:

- All schools are below National Average, due to the low starting points with which children begin school - on average at least a year behind the expected developmental stage.
- Progress across FS is good when considering developmental stages of childrens' progress from baseline assessments. Early Years is a strength of all SSET schools and this is recognised by OFSTED and all external reviews.
- Acres Hill and Norfolk (sponsored schools) have made good improvement since conversion (Norfolk +8% and Acres Hill +25% compared to National +1%) due to significant Trust investment in CPD, staffing and the learning environment.
- Phillimore appear to have a declining trend, due to a changing profile within the catchment area and high levels of pupil mobility. This was 50% during 2018-2019.
- The 2019 cohort at Wybourn have exceptionally high levels of children with complex SEND needs. Several have moved to more specialist provision, however some have moved into Y1 working at a 22-36 developmental stage. Additional target support has been deployed.

A summary of Y1 Pupil Outcomes

Y1 Phonics %	2017	2018	2019
Acres Hill	48	66	68
Manor Lodge	80	64	65
Phillimore	64	73	65
Norfolk	51	66	75
Wybourn	56	63	68
SSET	60	68	69
Sheffield	77	79	78
National	81	83	82

Performance Summary

Within SSET the key areas of performance to be identified are:

- Although below national average, phonics attainment has an upward trajectory. (2017-2019 a 9% increase compared to 1% nationally)
- The sponsored schools have made significant progress since conversion due to the Trust intervening with external coaching and mentoring, prescribed schemes and seconded staff. (Acres Hill +20% and Norfolk +24%)
- The 2017 cohort at Manor Lodge were small in numbers and particularly high attaining.
- 67% of disadvantaged pupils achieved the phonics standard, which is a 12% rise since conversion, compared to 2% nationally (2019 National Average 74%)

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

A summary KS1 Pupil Outcomes

KS1 Achieving expected level % and above	Reading			Writing			Maths		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Acres Hill	53	52	52	49	45	52	60	45	58
Manor Lodge	59	67	61	54	58	61	62	71	68
Norfolk	62	51	64	64	54	60	69	56	66
Phillimore	46	60	55	46	50	48	53	59	58
Wybourn	55	54	50	53	58	48	72	68	60
SSET	55	57	57	53	54	54	63	61	62
National	76	75	75	68	70	69	75	76	76

Performance Summary

Within SSET the key areas of performance to be identified are:

- The attainment of pupils at KS1 has remained relatively 'static', over 3 years and all below NA in all areas, this mirrors the national picture.
- Using FS data (RWM) as a baseline, pupils, on average, are making expected progress in KS1.
- The Trust needs to close the gap with National Average for these groups of pupils; their progress is monitored carefully throughout KS2 so appropriate target interventions are used.

KS2 Attainment and Progress

A summary KS2 Attainment

School	Reading Expected standard (%)			Writing Expected standard (%)		
	2017	2018	2019	2017	2018	2019
Acres Hill	53	58	41	67	70	55
Manor Lodge	92	52	62	64	73	67
Norfolk	35	56	69	51	56	63
Phillimore	49	51	53	53	60	59
Wybourn	57	57	67	64	61	67
SSET	53	54	58	58	63	62
National	72	75	73	76	78	78

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

School	Maths Expected standard (%)			Combined Expected standard (%)		
	2017	2018	2019	2017	2018	2019
Acres Hill	43	58	49	33	48	31
Manor Lodge	92	70	71	52	46	50
Norfolk	35	38	55	18	32	49
Phillimore	64	67	66	37	46	43
Wybourn	79	75	84	51	48	59
SSET	60	61	64	37	43	47
National	75	76	79	61	64	65

A summary KS2 Pupil Progress

School	Reading (%)			Writing (%)			Maths (%)		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
Acres Hill	0.91	-3.03	1.19	-0.73	0.27	2.13	-1.53	-2.5	1.44
Manor Lodge	1.93	-0.26	-1.52	-1.53	0.95	-2.13	1.91	-1.38	-2.54
Norfolk	-0.62	0.38	-3.35	0.36	2.8	-3.98	1.19	2.84	-5.15
Phillimore	-4.43	-2.65	1.65	-2.1	-2.62	2.89	-5.64	-4.71	2.74
Wybourn	0.51	-0.48	0.69	0.02	-1.25	-1.25	0.91	0.64	1.79
All SSET Schools	-0.78	-1.19	-0.27	-0.68	0.02	-0.40	-0.79	-0.87	-0.34
National	0	0	0	0	0	0	0	0	0

Performance Summary

Within SSET the key areas of performance to be identified are:

- 2019 data shows an upward trajectory in pupils achieving the combined measure, closing the gap with National Average. (2017–2019 +10% compared to +4% nationally)
- Norfolk (sponsored) shows particular improvement in the combined measure since conversion (2017–2019 +31% compared to national average +4%)
- Wybourn and Norfolk show 1 year improvements in all areas, with Wybourn exceeding national average in Maths.
- Acres Hill 2019 data shows an expected decline due to a low attaining cohort and sustained 'turbulence' in teaching, however progress measures in all areas will be well above national average for this cohort.
- The 2017 cohort in Manor Lodge was a small year group of 23 high attaining pupils without any SEND issues. Cohorts are now 55, on average, in Manor Lodge due to the rapid expansion of the school.
- All schools, with the exception of Acres Hill, show increases in reading attainment (Wybourn +10% Norfolk+13% Manor Lodge +10%). Reading was a whole Trust priority 2018, leading to an external coaching consultant working with each school and subscription to CLPE.
- 3 SSET schools show disadvantaged pupils performing better at KS2 in Reading Writing and Maths than disadvantaged pupils nationally.
- SSET, on average, demonstrate that KS2 pupils made expected progress (within statistical parameters of 0) in all areas, in 2019. KS2 Progress in 3 of the schools is well above average (0) in most areas.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

The Trust has set the following main objectives linked to outcomes:

- Pupil progress – schools make better than 'expected' progress on average, at KS2.
- Pupil attainment - improvements in KS2 combined measures from consistently good teaching and improvements in reading.
- Close the gap further with National Average at FS and KS1, particularly in Reading.
- Consistent and innovative approach to curriculum delivery for all pupils and particularly vulnerable pupils with complex needs, leading to improved outcomes and reduced exclusions.

General Trust Progress

Over the course of the year, the Trust has made progress in a number of key areas.

Infrastructure

- Executive Leadership Team, Member and Trustee boards embedded and working effectively.
- New school websites established and compliant.
- Business systems operational and embedded, (Insurance, finance, solicitors, Health and Safety, Payroll, ICT).
- Offices in Acres Hill Primary.
- Data analysis commissioned through Sheffield City Council.
- Budget set and approved, with surplus 2018/19 (3 years).
- All Education Skills Funding Agency returns completed on time, including published accounts.
- A further £799K of CIF funding was successfully secured for capital projects in 2019, adding to the £1.2million secured over the last 3 years. Bids for 2020 are currently being prepared.
- CEO in post (0.8 FTE).
- Project Manager (DPO) and newly appointed Financial Controller in post.
- New website created for the Trust.
- Trust Capacity Fund.
- Schools Nursery Capital Fund.

Working together

- Comprehensive support plan in place for the sponsored schools.
- Secondments, for staff who expressed an interest, into Leadership, teaching, Business support and Inclusion within sponsored schools in SSET.
- Joint recruitment procedures taking place.
- SSET behaviour policy embedded in the sponsored schools leading to reduced exclusions.
- SSET capital funds invested to remodel and refurbish classrooms at Acres Hill.
- Whole Trust Reading INSET days 2018.
- CPD programme for all staff (SSELP).
- Preparation CPD for OFSTED October 2019 (new framework) – 4 Inspections imminent.
- School to School teaching partnership programme.
- Attendance strategy.
- Reviews with external partners.
- Assessment and Moderation programme.
- Partnership with Ambition Leadership.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Growth

- A further 'Good' school in Sheffield has been approved to join the Trust.
- Central Leadership capacity strengthened.
- Consider a Hub model moving forward.
- Plans to provide a purpose built Alternative Provision within the Trust are progressing.

a. Reporting

Regular update reports are completed by the Chief Executive Officer, who reports progress on the plan to the Board of Trustees and key issues affecting individual schools. External reviews are conducted annually and reports received by the Trustees. Data is provided to the Board on safeguarding, key performance indicators and the delivery of plans, including the ongoing impact of strategies to improve the sponsored schools and action taken on attendance.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, 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.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review

Sheffield South East Trust income is derived in the main from the Department of Education (DFE) via the Education & Skills Funding Agency (ESFA) in the form of revenue and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

Incoming resources during the year ended 31 August 2019 totalled £11,661k and were not sufficient to cover outgoing resources and provided a deficit of £789k before transfers and other recognised gains and losses.

At the 31 August 2019 the net book value of fixed assets was £21,291k. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. At the 31 August 2019 the net assets excluding pension liability was £22,704k.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions since December 2016 have increased and it is expected that they will continue to increase further. Overall the academy has a healthy balance sheet and will be using reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and the short term in conjunction with the school development plan and school aims.

Within the reserves policy users should note that, because of accounting for Local Government Pension Scheme (LGPS), the academy recognises a significant pension fund deficit totaling £9,560k. This deficit is included in restricted funds. This does not lead to an immediate liability for this amount

The presence of a pension deficit will generally result in a cash flow effect for the Trust in the form of an increase in employer's pension contributions over a period of years. The Trust is confident it can meet the increase in contribution levels and this has been factored into future financial plans.

a. Reserves policy

For individual schools joining the Trust, reserves brought forward on conversion are accounted for in their individual statement.

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Trustees will keep this level of reserves under review and aim to build and maintain the reserves level whilst in keeping with the principle object of the academy.

Total reserves at the end of the period amounted to £13,144k, this balance includes unrestrictive funds (free reserves) of £869k which is considered appropriate for the Academy Trust, and restricted funds excluding pension and fixed assets of £Nil.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

b. Investment policy

A Trust Investment policy is yet to be implemented should any potential investment opportunity arise this would be escalated to the Board for consideration. As of 31st August 2019 no investments were held.

c. Principal risks and uncertainties

Like all other Multi Academy Trusts, Sheffield South East Trust is operating through a continuing period of uncertainty regarding future funding, both locally and nationally. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks.

A key uncertainty highlighted by the Trust Board is the pace and level of future growth, any such growth will result in additional funding; potential additional risk and may result in additional capacity being required to support the central infrastructure of the Trust.

Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A trust risk register has been implemented and is updated and reviewed regularly. Where appropriate, systems or procedures have been established to mitigate the risks each academy faces.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

The presence of a pension deficit will generally result in a cash flow effect for the Trust in the form of an increase in employer's pension contributions over a period of years. The Trust is confident it can meet the increase in contribution levels and this has been factored into future financial plans.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

The Board is responsible for ensuring that the organisation operates within a responsible, sustainable financial framework and that the organisation has adequate resources to carry out its work. Trustees have a number of key responsibilities and commitments in regards to this.

- Trustees have the responsibility of ensuring the survival and continuation of the Trust. This includes responsibility for ensuring funding is available to support the activities of the organisation.
- While Trustees may delegate many of the operations of fundraising to other parts of the organisation, the Board retains the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.
- The Board are committed to ensuring that fundraising activities are carried out in an ethical manner.
- The guiding fundraising principle is a simple one – we will only use techniques that we would be happy to be used on ourselves.

In doing so, the organisation will adhere to the following standards:

- The Board will have regard to the Charity commissions publication 'Charity Fundraising' (CC20)
- Fundraising activities carried out by individual Academies, including their PTA will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the Academies' stated mission and purpose.
- All personal information collected by the Academy is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- Nobody directly or indirectly employed by or volunteering for the Academy shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the Academy.
- Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical.
- All Governors, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the organisation to significant financial risk.
- Complaints will be dealt with in accordance with the Trusts complaints procedure.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Trust priorities and development

The Trust strategic plan identifies those areas that the Trust believes are key to the successful operation of the organisation considering both current issues and future areas to develop:

Business strategy

- Develop a Business Model for the Trust that is effective and efficient, and ensures that academies have access to high quality core services from the Trust.
- Continue to generate income through trading financial and business related services outside of the Trust.
- Actively seek out opportunities to attract capital investment.
- Actively seek out opportunities for both fundraising & bidding for funds, including those focused on school improvement and school workforce professional development.

Finance strategy

- Maintain a 3-year budget plan / Medium Term Financial Strategy to support the Trust Development Plan and ensure resources can be allocated swiftly to need.
- Ensure robust mechanisms are in place to comply with statutory policies and regulations.
- Continue to develop consistent financial practice across the Trust.

Growth

- Expand the Trust; initially within Sheffield Primary and Special schools and then possible regional/ other schools that have a consistent ethos with that of the Trust.

Leadership strategy

- Plan for identified needs and succession, using opportunities for cross school secondments/ employment and training. (NCTL programmes and similar)
- Embed Governor Networks based upon specific areas
- Embed Governor – Trustee interface and communication strategy.
- Each school works with the Trust to ensure a consistent approach to School Self Evaluation, through consistent audit and review.
- CEO and Executive Leadership team develop further cohesive practices, consistently improving teaching and learning strategies in a school led system.

Assessment and Monitoring

- Continue to develop a consistent assessment, moderation, data collection and analysis cycle, resulting in a shared understanding of pupil attainment and progress at all levels.

Teaching and Learning

- CEO and Executive Leadership team to tackle underperformance rigorously.
- Monitor and develop the teaching profile in each school. Recruit/ deploy across the Trust to any vacancies.
- Triangulate teaching, pupil's work and pupil outcomes to judge the quality of teaching consistently in each school, sharing good practice when identified.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Trust priorities and development (continued)

Curriculum

- Reduce exclusions by continued development of pastoral support and respite/ reintegration within different SSET schools. Embed SSET behaviour policy and card system.
- Redefine all curriculum in to ensure Intent, Implementation and Impact is clear and progression is sequenced well in all areas.
- Provide a well-balanced reading programme in each school, leading to improved outcomes.
- Provide a consistent and innovative approach to curriculum delivery for all pupils and particularly vulnerable pupils with complex needs, leading to improved outcomes and reduced exclusions

We are working to review and refine the following services to create greater efficiencies of scale:

- Facilities & property management.
- Further opportunities to rationalise procurement processes and gain economies of scale and improved value for money.
- Enhanced range of high quality and specialist educational, business, & financial services that support schools
- SEND provision for pupils with high and complex needs

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on **16/12/19** and signed on its behalf by:



.....
M Allen
Chair of Trustees

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Sheffield South East 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 misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Master Funding Agreement and Supplementary Funding Agreements between Sheffield South East Trust and the Secretary of State for Education.

They are also responsible for reporting to the board of trustees any material weakness or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the year. The two committees, as described below, have met 3 times during the year.

As a record, attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Allen, Chairman	3	4
K Crawshaw, Vicechair	4	4
J Bradshaw	4	4
D Grover	4	4
C Dillon	3	4
M Lowe	2	4
P Stead	1	2
M Shipman	1	2
J Doyle	0	0

Finance, Audit & Risk Committee

The finance, audit and risk committee is a sub-committee of the main board of trustees. Its purpose is to:

- assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees responsibility for ensuring sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

Trustee	Meetings attended	Out of a possible
Keith Crawshaw, Chairman	3	3
Joanne Bradshaw	3	3
Paul Stead, Vicechair	2	3
John Doyle	0	1

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Standards, Pay & Performance Committee

The standards, pay and performance committee is a sub-committee of the main board of trustees. Its purpose is to:

- ensure a constant review of standards, progress and performance across all academies.
- identify and disseminate best practice across the Trust.
- put in place effective strategies to accelerate progress for all children in all year groups.
- ensure high quality provision at all academies and that all academies are on an improvement trajectory in terms of OFSTED judgements.

Trustee	Meetings attended	Out of a possible
Marie Lowe, Chairman	3	3
Joanne Bradshaw	3	3
Derek Grover, Vicechair	3	3
Mike Allen	3	3
Mark Shipman	1	2
Craig Dillon (resigned 16/08/18)	1	1

Key priorities for the next year will be:

- to build the membership of the board to provide a range of skills and experience to support the growth of the Trust.
- the procurement of services that will benefit our academies by achieving better quality, delivering economies of scale and consistent outcomes across our schools.

Review of value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider social 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 in the following ways:

- The Trust continues to undertake significant works at its academies successfully attracting funding from the ESFA's Condition Improvement Fund (CIF). The aim of this work has been to improve the general condition of the schools and to improve, in particular, their suitability for high quality provision whilst not negatively impacting on the individual school budgets.
- The Trust has implemented a new budget setting process for 2018/19, this process has supported the development of internal benchmarking information and subsequently a range of efficiencies have been identified across schools. Where staffing vacancies have arisen in individual schools' consideration has been given to the most suitable arrangements moving forward; either direct replacement; sharing expertise across schools or not filling the post.
- The role of the Financial Controller continues to work with schools in the Trust to enhance level of practice and ensure compliance within the Trust. Key documentation, checklists and processes for review have been developed and implemented. These improved arrangements will lead to improved and more timely information being provided to stakeholders.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- As the Trust continues to grow, contracts are subject to review prior to renewal and are procured at Trust rather than individual school level making use of both national and local frameworks, this increased bargaining power drives out efficiency savings for each of the Trusts individual academies and ensures that value for money and efficient procurement in one academy is replicated in its other academies, thus, creating increased economies of scale and enhanced financial literacy amongst academy business staff.

In each of these examples, the Trust is using its budgets wisely to improve the resources available to pupils and staff and, in turn, for this to positively impact upon outcomes. This is clearly evident in the assessment and test tables set out above, which show clear impact and, in turn, good value for money.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Sheffield South East Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2018 to 31 August 2019 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 Board of Trustees regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines delegation of authority and segregation of duties
- Identification and management of risks

On a regular basis, the Finance Director reports to the Board of Trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the external auditor
- the work of the Responsible Officer in reviewing the adequacy of internal control arrangements across the Trust.
- the work of the leadership team within the Trust who have responsibility for the development and maintenance of the internal control framework
- increased prescription in the operational financial expectations of the Trust including written guidance, monthly checklists, training and 1-1 mentoring. The introduction of a Financial Controller also provides additional capacity to support these developments and ensure compliance.
- external reviews have been commissioned during the period to develop an assessment of the educational provision in each school.


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

Approved by order of the members of the board of Trustees and signed on their behalf by:



M Allen
Chair of Trustees

Date: 16 December 2019



J Bradshaw
CEO

Date: 16 December 2019

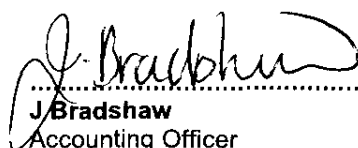
SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Sheffield South East Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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


.....
J. Bradshaw
Accounting Officer

Date: 16 December 2019

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



.....
M Allen
Chair of Trustees

Date: 16 December 2019

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHEFFIELD SOUTH EAST TRUST**

Opinion

We have audited the financial statements of Sheffield South East Trust (the 'trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, 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, the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

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 United Kingdom, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHEFFIELD SOUTH EAST TRUST (CONTINUED)**

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the incorporated Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHEFFIELD SOUTH EAST TRUST (CONTINUED)**

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement on page 23, the Trustees (who are also the directors of the Academy Trust 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.

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 the audit report

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



Ross Preston (Senior Statutory Auditor)
for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: 18 December 2019

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHEFFIELD SOUTH EAST TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sheffield South East Trust during the period 1 September 2018 to 31 August 2019 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 Sheffield South East Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sheffield South East 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 Sheffield South East Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sheffield South East Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Sheffield South East Trust's funding agreement with the Secretary of State for Education dated 30 November 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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:

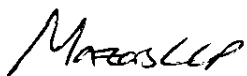
- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHEFFIELD SOUTH EAST TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Mazars LLP

5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: 18 December 2019

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	As restated Total funds 2018 £000
Income from:						
Donations and capital grants:						
Transfer from local authority on conversion	3	-	-	-	-	6,763
Other donations and capital grants	3	52	-	920	972	633
Charitable activities:						
Funding for the Academy Trust's educational operations	4	-	10,406	-	10,406	9,494
Other trading activities	5	282	-	-	282	256
Investments income	6	1	-	-	1	1
Total income		335	10,406	920	11,661	17,147
Expenditure on:						
Charitable activities:						
Academy Trust educational operations	7	35	11,241	1,174	12,450	10,999
Total expenditure		35	11,241	1,174	12,450	10,999
Net (expenditure)/ income		300	(835)	(254)	(789)	6,148

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	As restated Total funds 2018 £000
Net (expenditure)/ income brought forward		300	(835)	(254)	(789)	6,148
Transfers between funds	18	(192)	156	36	-	-
Net movement in funds before other recognised gains/(losses)		108	(679)	(218)	(789)	6,148
Actuarial losses on defined benefit pension schemes	24	-	(2,381)	-	(2,381)	843
Net movement in funds		108	(3,060)	(218)	(3,170)	6,991
Reconciliation of funds:						
Total funds brought forward		761	(6,500)	22,053	16,314	9,323
Net movement in funds		108	(3,060)	(218)	(3,170)	6,991
Total funds carried forward		869	(9,560)	21,835	13,144	16,314

The notes on pages 34 to 59 form part of these financial statements.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10460387

BALANCE SHEET
AS AT 31 AUGUST 2019

		2019	As restated
		£000	2018
			£000
Fixed assets			
Tangible assets	14	21,291	21,878
		<u>21,291</u>	<u>21,878</u>
Current assets			
Debtors	15	757	421
Cash at bank and in hand	23	1,630	1,426
		<u>2,387</u>	<u>1,847</u>
Current liabilities			
Creditors: Amounts falling due within one year	16	(974)	(907)
		<u>1,413</u>	<u>940</u>
Net current assets			
		<u>22,704</u>	<u>22,818</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	24	(9,560)	(6,504)
		<u>13,144</u>	<u>16,314</u>
Total net assets			
		<u><u>13,144</u></u>	<u><u>16,314</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	21,835	22,053
Restricted general funds	18	-	4
		<u>21,835</u>	<u>22,057</u>
Restricted funds excluding pension liability	18		
Pension reserve	18	(9,560)	(6,504)
		<u>12,275</u>	<u>15,553</u>
Total restricted funds	18		
Unrestricted income funds	18	869	761
		<u>13,144</u>	<u>16,314</u>
Total funds		<u><u>13,144</u></u>	<u><u>16,314</u></u>

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 29 to 59 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:



.....
M Allen
Chair of Trustees

Date: 16 December 2019

The notes on pages 34 to 59 form part of these financial statements.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	20	(681)	(252)
Cash flows from investing activities	22	885	587
Cash transferred on conversion to academy trust	21	-	181
Change in cash and cash equivalents in the year		204	516
Cash and cash equivalents at the beginning of the year		1,426	910
Cash and cash equivalents at the end of the year	23	<u>1,630</u>	<u>1,426</u>

The notes on pages 34 to 59 form part of these financial statements.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. 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.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

- **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 a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

Investment income

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure

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

- **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 resources expended are inclusive of irrecoverable VAT.

1.5 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.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets

Assets costing £2,000 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following basis:

Long leasehold land	-	1%
Long leasehold buildings	-	3%
Furniture and equipment	-	25%
Computer equipment	-	25%

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

1.7 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.

1.8 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.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.9 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 bases 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 note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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

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

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

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Trustees consider that there are no critical areas of judgement with the exception of the pension valuation noted above.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	52	-	52	23
Capital Grants	-	920	920	610
Transfer from local authority on conversion	-	-	-	6,763
Total 2019	52	920	972	7,396
Total 2018	23	7,373	7,396	

4. Funding for the Academy Trust's educational operations

	Restricted funds 2019 £000	Total funds 2019 £000	As restated Total funds 2018 £000
DfE/ESFA grants			
General Annual Grant (GAG)	7,649	7,649	6,942
Start Up Grants	-	-	70
Other DfE Group Grants	1,600	1,600	1,255
	9,249	9,249	8,267
Other government grants			
Local authority income	1,014	1,014	1,146
	1,014	1,014	1,146
Other funding			
Other income for the academy trust's educational operations	143	143	81
Total 2019	10,406	10,406	9,494

In 2018, of the total funding for the Academy Trust's educational operations, £9,494k was to restricted funds and £Nil was to unrestricted funds.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. Income from other trading activities

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	As restated Total funds 2018 £000
Hire of facilities	2	-	2	-
Income from ancillary trading activities	280	-	280	256
Total 2019	282	-	282	256
Total 2018 as restated	248	8	256	

6. Investment income

	Total funds 2019 £000	As restated Total funds 2018 £000
Short term deposits	1	1

In 2018, of the total investment income, £1k was to unrestricted funds and £Nil was to restricted funds.

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Educational operations:					
Direct costs	7,085	623	774	8,482	7,290
Support costs	1,989	1,111	868	3,968	3,709
Total 2019	9,074	1,734	1,642	12,450	10,999
Total 2018	7,918	1,644	1,437	10,999	

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Charitable activities

	2019 £000	2018 £000
Direct costs - educational operations	8,482	7,290
Support costs - educational operations	3,968	3,709
	<u>12,450</u>	<u>10,999</u>
	2019 £000	2018 £000
Analysis of support costs		
Support staff costs	1,989	1,645
Technology costs	94	182
Premises costs	1,111	1,031
Other support costs	650	469
Governance costs	124	382
	<u>3,968</u>	<u>3,709</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	12	11
Depreciation of tangible fixed assets	623	613
Fees paid to auditor for:		
- audit	20	26
- other services	8	8
	<u>8</u>	<u>8</u>

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£000	£000
Wages and salaries	6,314	5,878
Social security costs	549	505
Pension costs	1,872	1,387
	<u>8,735</u>	<u>7,770</u>
Agency staff costs	318	148
Staff restructuring costs	21	-
	<u>9,074</u>	<u>7,918</u>

Staff restructuring costs comprise:

	2019	2018
	£000	£000
Redundancy payments	9	-
Severance payments	12	-
	<u>21</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £15k (2018: £Nil). Individually, the payments were £11,700, £438, £438, £55, £561, £246, £205, £328 and £724.

c. Staff numbers

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

	2019	2018
	No.	No.
Teachers	77	73
Administration and support	208	206
Management	25	20
	<u>310</u>	<u>299</u>

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	1	-
In the band £100,001 - £110,000	1	1
	<u> </u>	<u> </u>

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £564,757 (2018: £506,326).

11. Central services

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

- finance and administration
- educational consultancy
- professional services
- publicity and marketing

The Academy Trust charges for these services on the following basis:

The trust charges a flat 5% of GAG income for these services.

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Acres Hill Community Primary School	58	62
Manor Lodge Community Primary School	66	61
Norfolk Community Primary School	77	56
Phillimore Community Primary School	88	86
Wybourn Community Primary School	141	82
Total	<u>430</u>	<u>347</u>

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive Officer only receive remuneration in respect of services they provide undertaking the roles under their contract of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£000	£000
J Bradshaw (Chief Executive and Accounting Officer)	Remuneration	105 - 110	100 - 105
	Pension contributions paid	15 - 20	15 - 20

During the year, retirement benefits were accruing to 1 Trustees (2018 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £48,089 (2018 - £51,489). The cost of this insurance is included in the total insurance cost.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. Tangible fixed assets

	Leasehold Land and Buildings £000	Furniture and equipment £000	Computer equipment £000	Total £000
Cost				
At 1 September 2018	22,842	-	46	22,888
Additions	-	8	28	36
At 31 August 2019	22,842	8	74	22,924
Depreciation				
At 1 September 2018	996	-	14	1,010
Charge for the year	605	2	16	623
At 31 August 2019	1,601	2	30	1,633
Net book value				
At 31 August 2019	21,241	6	44	21,291
At 31 August 2018	21,846	-	32	21,878

15. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	13	20
VAT recoverable	181	80
Prepayments and accrued income	563	321
	757	421

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	384	51
Other taxation and social security	147	156
Other creditors	49	-
Accruals and deferred income	394	700
	<u>974</u>	<u>907</u>
	2019	2018
	£000	£000
Deferred income at 1 September	288	160
Resources deferred during the year	258	288
Amounts released from previous periods	(288)	(160)
Deferred income at 31 August	<u>258</u>	<u>288</u>

At the balance sheet date the academy trust was holding funds received in advance from the Education and Skills Funding Agency which related to Universal Free School Meals of £101k (2018: £106k), Funded Early Learning from Sheffield City Council of £151k (2018: £167k), Philosophy For Children Grant of £6k (2018: £Nil) and British Council Erasmus Grant of £Nil (2018: £15k).

17. Prior year adjustments

Income from ancillary trading activities totalling £256k, transfer from local authority on conversion totalling £18k and investment income totalling £1k previously shown within other income for the academy trust's educational operations in the prior year has been reclassified to other trading income and investment income in the current year. £30k of expenditure in the prior year has been reclassified to unrestricted expenditure. The comparative amounts have been restated. There is no impact on net funds or the result for the year as a result of this restatement, however it has resulted in an increase to unrestricted funds and a decrease to general restricted funds of £237k.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds

	As restated Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds	761	335	(35)	(192)	-	869
Restricted general funds						
General Annual Grant (GAG)	4	7,649	(7,809)	156	-	-
Pupil Premium	-	1,212	(1,212)	-	-	-
Other grants	-	1,545	(1,545)	-	-	-
Pension reserve	(6,504)	-	(675)	-	(2,381)	(9,560)
	(6,500)	10,406	(11,241)	156	(2,381)	(9,560)
Restricted fixed asset funds						
Transfer on conversion	21,846	-	(605)	-	-	21,241
DfE Group capital grants	175	920	(551)	-	-	544
Capital expenditure from GAG	32	-	(18)	36	-	50
	22,053	920	(1,174)	36	-	21,835
Total Restricted funds	15,553	11,326	(12,415)	192	(2,381)	12,275
Total funds	16,314	11,661	(12,450)	-	(2,381)	13,144

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

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

- Restricted General Funds must be used for the normal running costs of the trust in line with the Master Funding Agreement and restrictions from other sources.
- Unrestricted funds are not generally used and will be held in reserve until the need to draw down on them arises.
- Restricted Fixed Asset Funds are used solely for capital purposes in line with the strategic objectives of the Trust.
- There is currently £544k of Condition Improvement Funding which relates to schemes that have already commenced but were not finalised at the balance sheet date.
- It is the trustees intention to allocate all funds granted to the pursuit of its objectives and to use their current funding for the full benefit of their current pupils, save a contingency and reserves policy detailed earlier.

Transfers relate to GAG funds used for capital expenditure and utilising unrestricted funds to cover restricted funds deficits.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£000	£000
Acres Hill Community Primary School	4	42
Manor Lodge Community Primary School	199	179
Norfolk Community Primary School	254	168
Phillimore Community Primary School	77	63
Wybourn Community Primary School	267	174
Central Services	68	139
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	869	765
Restricted fixed asset fund	21,835	22,053
Pension reserve	(9,560)	(6,504)
	<hr/>	<hr/>
Total	13,144	16,314
	<hr/>	<hr/>

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

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 2019 £000	Total 2018 £000
Acres Hill Community Primary School	1,016	299	77	260	1,652	1,480
Manor Lodge Community Primary School	1,132	287	103	320	1,842	1,539
Norfolk Community Primary School	1,531	412	137	339	2,419	1,481
Phillimore Community Primary School	1,504	403	98	392	2,397	2,119
Wybourn Community Primary School	1,761	528	143	432	2,864	2,326
Central Services	141	60	60	392	653	1,441
Academy Trust	7,085	1,989	618	2,135	11,827	10,386

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	As restated Income £000	As restated Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	As restated Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	338	453	(30)	-	-	761
Restricted general funds						
General Annual Grant (GAG)	-	7,374	(7,782)	412	-	4
Pupil Premium	117	1,080	(1,197)	-	-	-
Other grants	32	1,048	(1,080)	-	-	-
Pension reserve	(5,497)	(1,553)	(297)	-	843	(6,504)
	<u>(5,348)</u>	<u>7,949</u>	<u>(10,356)</u>	<u>412</u>	<u>843</u>	<u>(6,500)</u>
Restricted fixed asset funds						
Transfer on conversion	14,316	8,135	(605)	-	-	21,846
DfE Group capital grants	-	610	-	(435)	-	175
Capital expenditure from GAG	17	-	(8)	23	-	32
	<u>14,333</u>	<u>8,745</u>	<u>(613)</u>	<u>(412)</u>	<u>-</u>	<u>22,053</u>
Total Restricted funds	<u>8,985</u>	<u>16,694</u>	<u>(10,969)</u>	<u>-</u>	<u>843</u>	<u>15,553</u>
Total funds	<u><u>9,323</u></u>	<u><u>17,147</u></u>	<u><u>(10,999)</u></u>	<u><u>-</u></u>	<u><u>843</u></u>	<u><u>16,314</u></u>

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Analysis of net assets between funds

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	21,291	21,291
Current assets	869	960	544	2,373
Creditors due within one year	-	(960)	-	(960)
Pension scheme liability	-	(9,560)	-	(9,560)
Total	869	(9,560)	21,835	13,144

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

	As restated Unrestricted funds 2018 £000	As restated Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	As restated Total funds 2018 £000
Tangible fixed assets	-	-	21,878	21,878
Current assets	761	911	175	1,847
Creditors due within one year	-	(907)	-	(907)
Pension scheme liability	-	(6,504)	-	(6,504)
Total	761	(6,500)	22,053	16,314

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £000	2018 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(789)	6,148
Adjustments for:		
Depreciation	623	613
Capital grants from DfE and other capital income	(920)	(610)
Interest receivable	(1)	-
Defined benefit pension scheme obligation inherited	-	1,553
Defined benefit pension scheme cost less contributions payable	500	139
Defined benefit pension scheme finance cost	175	158
Decrease in debtors	(336)	(97)
Increase in creditors	67	160
Assets donated on conversion from the Local Authority	-	(8,135)
Net incoming resources from local authority on conversion	-	(181)
Net cash used in operating activities	(681)	(252)

21. Cash flows transferred on conversion

	2019 £000	2018 £000
Cash transferred on conversion to academy trust	-	181

22. Cash flows from investing activities

	2019 £000	2018 £000
Interest received	1	-
Purchase of tangible fixed assets	(36)	(23)
Capital grants from DfE Group	920	610
Net cash provided by investing activities	885	587

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand and at bank	1,630	1,426

24. Pension commitments

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

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

Contributions amounting to £45,284 were payable to the schemes at 31 August 2019 (2018 - £52,380) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £574k (2018 - £513k).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £772k (2018 - £710k), of which employer's contributions totalled £623k (2018 - £582k) and employees' contributions totalled £149k (2018 - £128k). The agreed contribution rates for future years are between 14.1% and 15.1% for employers and 5.5% to 12.5% for employees.

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

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.25 - 3.35	3.35 - 3.45
Rate of increase for pensions in payment/inflation	2.10 - 2.20	2.20 - 2.30
Discount rate for scheme liabilities	1.80	2.80 - 2.90
Inflation assumption (CPI)	2.00 - 2.10	2.10 - 2.20

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.9	25.8
<i>Retiring in 20 years</i>		
Males	25.3	25.2
Females	28.3	28.1

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(313)	(217)
Discount rate -0.1%	320	217
Mortality assumption - 1 year increase	228	159
Mortality assumption - 1 year decrease	(224)	(159)
CPI rate +0.1%	318	221
CPI rate -0.1%	(310)	(221)

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	1,825	1,375
Corporate bonds	753	559
Property	303	251
Cash and other liquid assets	111	120
Other	495	281
Total market value of assets	3,487	2,586

The actual return on scheme assets was £221k (2018 - £96k).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £000	2018 £000
Current service cost	(746)	(711)
Past service cost	(367)	-
Interest income	83	50
Interest cost	(258)	(208)
Administrative expenses	(10)	(8)
Total amount recognised in the Statement of Financial Activities	(1,298)	(877)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £000	2018 £000
At 1 September	9,090	7,011
Conversion of academy trusts	-	1,857
Current service cost	746	711
Interest cost	258	208
Employee contributions	149	127
Actuarial losses/(gains)	2,519	(797)
Benefits paid	(82)	(27)
Past service costs	367	-
At 31 August	13,047	9,090

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £000	2018 £000
At 1 September	2,586	1,514
Conversion of academy trusts	-	304
Interest income	83	50
Actuarial gains	138	46
Employer contributions	623	580
Employee contributions	149	127
Benefits paid	(82)	(27)
Administrative expenses	(10)	(8)
At 31 August	3,487	2,586

25. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Academy Trust 2019 £000	Academy Trust 2018 £000
Not later than 1 year	19	9
Later than 1 year and not later than 5 years	41	14
	60	23

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.

SHEFFIELD SOUTH EAST TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

28. Events after the end of the reporting period

Woodhouse West Primary School have applied and been granted an academy order to join Sheffield South East Trust from the Department for Education. This process is likely to be completed by April 2020 subject to consultation and due diligence processes.