

Registered number: 07825856

**SOUTHEND EAST COMMUNITY ACADEMY TRUST
(FORMERLY SHOEBOURNESS HIGH SCHOOL)**

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017



SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 7
Governance Statement	8 - 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditors' Report on the Financial Statements	15 - 16
Independent Reporting Accountants' Assurance Report on Regularity	17 - 18
Statement of Financial Activities Incorporating Income and Expenditure Account	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22 - 43

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

Members	Mr R Knight Mr A Scanes (appointed 1 September 2016) Mr D Andrews Ms C Carswell (appointed 1 September 2016) Rev J Collis (appointed 1 September 2016)
Trustees	Mr R Knight, Chairman, Community Mr M Schofield, Headteacher Mr M Sweeting, Vice Chair, Community Mr S Goodall, Community Ms C Gostling, Community Mr D Parker, Community Mr P Melville (appointed 1 September 2016) Ms P Dewey (appointed 1 September 2016) Mr M House (appointed 1 September 2016) Mr G Lane (appointed 1 September 2016) Mr B Sandford (appointed 2 October 2017) Mr G Reeder (appointed 2 October 2017)
Company registered number	07825856
Company name	Southend East Community Academy Trust
Principal and registered office	Caulfield Road Shoeburyness Essex SS3 9LL
Company Secretary	Mrs K Hodgson
Chief Executive Officer	Mr M Schofield
Senior Leadership Team	Mr M Schofield, Headteacher Mrs W Walden, Business Manager Mrs K Hodgson, Chief Financial Officer
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank Plc 77 High Street Southend SS11HT

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Southend East Community Academy Trust (The Trust or the Charitable Company) for the year ended 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 5 primary academies and 1 secondary academy (the Academies or the Schools) serving a catchment area in Shoeburyness. The Academies have a combined capacity of 3521 and had a roll of 3334 in the 2017 census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- Bournes Green Infant School (BGIS) - converted on 31 August 2016
- Hinguar Community Primary School & Nursery (HPS) – converted on 31 August 2016
- Shoeburyness High School (SHS) – converted on 1 December 2011
- Thorpedene Primary School (TPS) - converted on 31 August 2016
- Bournes Green Junior School (BGJS) - converted and joined the Trust on 1 August 2017
- Richmond Primary & Nursery School (RPS) – converted and joined the Trust on 1 August 2017

The operation of The Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance Committee. Throughout this report the Board of Trustees is referred to as the Main Governing Body (MGB). Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets.

Details of the Trustees who served throughout the period are included in the *Reference and Administrative Details* section. Within this Report the term Trustee or Director refers to a member of the MGB and the term Governor to a member of an LGB.

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.

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in note 12 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

The Members have appointed by ordinary resolution 7 Trustees plus the Chief Executive Officer. The Trustees have appointed 2 co-opted Trustees currently making a total of 10 Trustees. The membership of the MGB can include up to 12 Trustees including the Chief Executive Officer (CEO). Trustees are appointed for a fixed term of 4 years. The CEO is an ex officio member of the MGB. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election.

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. Trustees and Governors are required to attend induction training and regular ongoing training. To this end the Trust has links with training providers such as the Governance Support Team at the Local Authority, the National Governance Association and in-house training is provided where necessary. New Trustees and Governors receive a tour of the relevant Academy and are provided with key documents necessary for their role.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The MGB, meets on at least 6 occasions per year and its 2 sub committees Finance and Audit meet at least 3 times per year. The MGB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

The Senior Leadership Teams (SLT's) control the Academies at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The CEO, the MAT Business Manager and the Chief Finance Officer (CFO) look across the Trust and align local SLT and LGB activity with the strategic aims of The Trust as a whole.

The Trust's CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the relevant LGB. The pay and remuneration of the CEO is determined by the MGB.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the MGB being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- School Sports Partnership
- Southend Local Authority
- Southend SCITT
- Billericay Teaching Schools Alliance

The Trust does not have a formal sponsor

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 4 and 19.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the Trust's business in accordance with the highest standards of integrity.

Our success in fulfilling our aims can be measured by:

- KS1 Reading, Writing and Maths being above the national average.
- KS2 Reading, Writing and Maths being above the national average.
- KS4 English, Maths and Science GCSE's above the national average.
- Better than national progress.
- KS5 Number of students entering university has doubled.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

Specific achievements were as follows:

- HPS – At KS2 the expected standard for reading, writing and maths was 96%, with a combined figure of 93%. Above the national figures. The students also averaged 30% in all three areas for greater depth. At KS1 the expected standard for reading, writing and maths was 90% in each. The results for HPS at both key stages make it one of the top performing schools not just in the Borough but the region.
- TPS – At KS2 the expected standard was reached by 65% of pupils in reading, 75% in writing and 72% in maths. The combined figure was 62%. All these figures are an improvement on the previous year and above national figures. At KS1 the expected standard in reading, writing and maths was 75%. This is up on the previous year and at least in line with or above national figures.
- BGJS – The expected standard was reached by 89% in reading, 89% in writing and 87% in maths at KS1. All significantly above national figures. They also recorded 40% of pupils at greater depth and again above national.
- Shoeburyness High School – At KS4 students achieved 76% 9-4 in English, 14% above national figures. 65% 9-4 in Maths, 6% above national figures. 74% A-C in Science, 26% above national figures. The academy also had a positive Progress 8 figure of 0.06 up on last year and attendance up again at 95.9% against a national figure of 94.8.

Key Performance Indicators

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2017 were 3334 against a forecast of 3521 (capacity).

Another key financial performance indicator is staffing costs as a percentage of total income. For 2016/17 this was 66.1% against set parameters of 70%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the MGB.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

The Finance Committee also monitors premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the MGB.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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.

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2017 the Trust received £17,549,587 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £16,759,505 on general running costs and transferred £253,215 to support capital new build and improvement projects on the various academy sites. The Trust brought forward from 15/16, £26,087 restricted funds (excluding the fixed asset fund) and £1,411,526 unrestricted funding. The carry forward for 16/17 is £137,958 restricted funding and £3,039,882 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £7,608,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via reports to the Finance Committee from the CFO. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £3,039,882. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017 was £3,177,840.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £3,901,140. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.

Investment Policy

The aim of the Investment Policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trust works with the LGB's in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB via the Audit Committee and the Finance Committee with a formal review of the process undertaken on an annual basis.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- each Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Audit Committee carry out independent and external checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments - the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability - as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

There is particular focus on the following for 2017/18:

- To develop the work of the Multi-Academy Trust central team.
- To develop accountability for the Schools' outcomes through scrutiny panels with the Trustees, data review meetings and School performance visits.
- To share best practise across the Trust in teaching and learning and curriculum through curriculum strategy groups (CSG's), learning walks and training.
- To transform the support across the Trust for students to include, but not exclusively, SEND, AMA (Academically More Able), safeguarding and attendance.
- To drive improvement in outcomes through identified Trust interventions.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not hold any funds as a custodian trustee on behalf of any other organisation.

Employees and disabled persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled, the Trust seeks advice, then every effort is made to retain them in either their current role or an alternative position within the Trust, in order that their employment within the Trust may continue.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 19/12/17 and signed by:

R. Knight

Mr R Knight
Chair of Trustees

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The MGB has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Southend East Community Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the MGB any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The MGB has formally met 7 times during the year. Attendance during the year at meetings of the MGB was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Knight	6	7
Mr M Schofield	7	7
Mr M Sweeting	7	7
Mr S Goodall	6	7
Ms C Gostling	5	7
Mr D Parker	6	7
Mr P Melville	5	7
Ms P Dewey	5	7
Mr M House	6	7
Mr G Lane	7	7
Mr B Sandford	0	0
Mr G Reeder	0	0

Shoeburyness High School (a community academy) became part of a Multi Academy Trust (MAT) on 1st September 2016 with 3 primary schools from the local community. The Trustees were appointed from the pool of Governors from each of the constituent schools who had appropriate skills and experience in HR, Finance, Leadership, Education, Safeguarding and Wellbeing and Governance.

The MGB agreed to an expansion of the MAT and on 1st August 2017 two more primary schools joined from our local community.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose and remit is to:

- recommend to the MGB a funding model for the Trust, so as to secure the Trust's financial health in the short term and the long term;
- recommend the Trust Annual Central Budget for approval;
- recommend the Academies Annual Budgets and recommend the proportion of the overall budget to be delegated to each Academy;
- review compliance, expenditure and ensure delivery of annual budgets, reporting to the MGB;
- determine what financial reporting and KPIs are required from the Academies and central body;
- recommend the Scheme of Delegation of financial authority of the central body to the MGB;
- determine the financial policies and procedures to ensure compliance with the Trust's financial and reporting requirements; and
- review the financial aspects of the corporate risk register for both the central services and associated academies.

The committee met four times during the year.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms P Dewey	3	4
Mr R Knight	3	4
Mr M House	3	4
Mr M Schofield	4	4
Mr G Lane	4	4
Mr P Melville	2	4

The Audit Committee is also a sub-committee of the MGB. Its purpose and remit is to:

- focus on identifying the risks to internal financial controls at all our Academies and agree a programme of work to address and provide assurance on those risks;
- review the financial statements and reports of the Trust to ensure that they reflect best practice;
- recommend the appointment/reappointment of the Auditors;
- consider all relevant reports by the appointed external Auditor, including reports on the accounts of the Trust, achievement of value for money and the response to any management letters;
- review the effectiveness of the Trust's internal control systems;
- consider and advise the Trustees on the Trust's annual and long term audit programme;
- consider business reports, including value for money reports and any arrangements for their implementation; and
- review the risk register.

The Audit Committee met once during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms C Gostling	1	1
Mr D Parker	1	1
Mr S Goodall	1	1
Mr M Sweeting	1	1

REVIEW OF VALUE FOR MONEY

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

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

Adopting four inter-dependent elements:

- Educational Outcomes
- Business Planning
- Financial Governance/Management
- Organisational Learning

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Educational Outcomes

Across SECAT the core aim is to achieve value for money whilst ensuring positive outcomes for the young people in our community by providing an engaging, challenging and linear learning experience from 3 to 18 that equips them to live happy and successful lives. The Trust continues to improve the outcomes of pupils by:

- Ensuring improved results for students across the Trust from KS1 – KS4: for example across the Trust, results at KS1, KS2 and KS4 in all schools are above National expectations.
- Sharing best practice across the Key stages: for example specialist teachers have visited the primary schools within the Trust in core subjects including Mathematics, English and Science to support teaching and learning and the transition from year 6 into year 7. Teachers of English, from across the trust meet regularly to discuss the best way to move literacy forward for all students.
- Encouraging increased attendance to facilitate learning: for example there is a dedicated attendance team in the Secondary School who closely monitor and track students with attendance above national in this area. The team support the other academies within the Trust to highlight potential absenteeism for the future. Attendance across the Trust is higher than National.

Business Planning

The Trust has regular meetings with the Bursars/Business Managers of each academy and regular communication on a fortnightly basis in between these meetings to ensure that any issues that may arise are dealt with quickly. The Trust continues to improve the planning of the Business by:

- Sharing of best practice: for example through regular communication and meetings the need for advise on personnel issues arose and the Senior Personnel Officer in the lead school was able to provide this saving on external costs to the value of £3000
- Consolidation of Reports: for example central completion of reports for the DfE such as the Business Register and Employment Survey, saving time and resources within the academies.
- Negotiation of Contracts: for example centralising contracts across the Trust, in particular those held with Southend Borough Council resulting in cost savings for all academies totalling £16,106 and allowing the Trust members to obtain better service contracts and achieve economies of scale.
- Shared Training: For example Fire Marshall training with regards to H&S and training on reading of papers saving over £4000 as the schools trained in collaboration.

Financial Governance/Management

The Trust's financial regulations provide effective control without excessive bureaucracy overheads. Value for money is enhanced through the continuous improvement of day to day financial management and the use of the Multiview system and Cost Centre summary reports monitored by the Chief Finance Officer

- Value for Money is sought by all budget holders: For example value from external supplies is ensured by the fact that for orders of any amount from £501 to £6,000 the budget holder will need to demonstrate best value; providing supporting evidence of having sought more than one quotation. For any amount between £6,001 and up to the European Union Threshold the budget holder must obtain three competitive quotations, in writing, and attach them to the purchase order. For example negotiating with Ecolab led to saving of £3,300 and changes to suppliers of security led to savings of £4,200.
- Discussion and Challenge of Financial Information by Finance Committee and Trustees: for example presentation of requested KPIs and Causes for Concern identified from Cost Centre summaries as provided by the CFO and SECAT Business Manager and shared at Trust Finance meetings.
- Shared Maintenance Team: For example the maintenance team of the lead academy built a new toilet block at one of the other schools resulting in savings of £8,200. This has led to a proposal to further consolidate services as academies within the Trust have separate site management and caretaking services and centralising such elements will further support the financial management across SECAT.
- Maximise Income Generation: For example the Trust actively investigates potential additional grants and has been successful in gaining sports funding through the SSCO. The SSCO is one of the most successful Schools Sports Coordinator nationally and the team are building long-term sustainability. Cash flow forecasts have identified surplus cash balances that are invested to gain maximum bank interest.
- Restructuring: For example in one school advice was given to not replace their Business Manager but to appoint a Senior Finance Officer instead to complete the financial aspects with training and support from the CFO. This resulted in savings of £23,876.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Organisational Learning

The Trust operates as a community of schools sharing expertise through regular meeting with the Headteachers and representation from the local governing bodies on the Trust board. A continued holistic approach to value for money will ensure that the funds provided to the Trust will continue to be used effectively and efficiently in developing our educational objectives.

- Investment in people: for example this has led to opportunities for expertise to be shared across the Trust with regards to maintenance, personnel, finance and administration as well as teaching and learning.
- High 5 Provision: For example the lead school within the Trust runs an ongoing programme for Year 5 students from across SECAT to attend weekly sessions after school to enhance elements of the curriculum including Modern Foreign Languages
- Collaborative Working & Learning: For example the bursars/business managers work closely together. One of the Trust schools ran a SECAT Maths team within KS2 and this was well attended within the trust and enjoyed by all.

SECAT will continue to review its operations and seek to enhance the value we deliver to the young people of the community we serve.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

The MGB has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The MGB is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the MGB.

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:

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The MGB has considered the need for a specific Internal Audit function and has decided to appoint Maurice Sweeting, David Parker, Simon Goodall and Chris Gostling (members of the Audit Committee) to carry out this function.

The Audit Committee's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- safeguarding;
- procedures for visitors to the school; and
- petty cash/cash handling.

On an annual basis, the MGB receives reports on the checks carried out by the Audit Committee on the operation of the systems of control and on the discharge of the MGB's financial responsibilities.

The checks planned by the Audit Committee were carried out as planned.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the CEO 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 Audit Committee;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 19/12/17 and signed on their behalf, by:



Mr R Knight
Chair of Trustees



Mr M Schofield
Accounting Officer

SOUTHEND EAST COMMUNITY ACADEMY TRUST

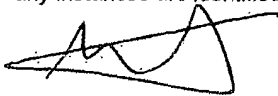
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Southend East Community Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



19/12/17

Mr M Schofield
Accounting Officer

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which 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 the Board of Trustees on 18/12/17 and signed on its behalf by:



Mr R Knight
Chair of Trustees

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTHEND EAST COMMUNITY ACADEMY TRUST

OPINION

We have audited the financial statements of Southend East Community Academy Trust (the "Academy Trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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.

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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.

OTHER INFORMATION

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

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.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTHEND EAST COMMUNITY ACADEMY TRUST

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report and the Directors' Report..

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

- adequate accounting records have not been kept, 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 not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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.

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants and Statutory Auditors
Causeway House, 1 Dane Street, Bishop's Stortford
Hertfordshire, CM23 3BT
20 December 2017

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SOUTHEND EAST COMMUNITY ACADEMY TRUST (FORMERLY SHOEBOURNESS HIGH SCHOOL) AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southend East Community Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF SOUTHEND EAST COMMUNITY ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Southend East Community Academy Trust's funding agreement with the Secretary of State for Education dated 11 July 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SOUTHEND
EAST COMMUNITY ACADEMY TRUST (FORMERLY SHOEBOURNE HIGH SCHOOL) AND THE
EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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

Reporting Accountant

Price Bailey LLP

Chartered Accountants

20 December 2017

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Assets received on conversion	2	1,209,115	(2,486,000)	19,558,646	18,281,761	-
Other donations and capital grants	2	91,077	123,976	284,779	499,832	241,290
Charitable activities	3	295,546	15,226,789	-	15,522,335	10,342,305
Other trading activities	4	420,939	175,742	-	596,681	245,347
Investments	5	6,403	-	-	6,403	12,124
TOTAL INCOME		2,023,080	13,040,507	19,843,425	34,907,012	10,841,066
EXPENDITURE ON:						
Charitable activities		297,610	15,867,535	1,203,360	17,368,505	11,481,673
TOTAL EXPENDITURE	6	297,610	15,867,535	1,203,360	17,368,505	11,481,673
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		1,725,470	(2,827,028)	18,640,065	17,538,507	(640,607)
Transfers between funds	15	(97,114)	(156,101)	253,215	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		1,628,356	(2,983,129)	18,893,280	17,538,507	(640,607)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	828,000	-	828,000	(1,844,000)
NET MOVEMENT IN FUNDS		1,628,356	(2,155,129)	18,893,280	18,366,507	(2,484,607)
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,411,526	(5,314,913)	14,796,427	10,893,040	13,377,647
TOTAL FUNDS CARRIED FORWARD		3,039,882	(7,470,042)	33,689,707	29,259,547	10,893,040

SOUTHEND EAST COMMUNITY ACADEMY TRUST

**(A Company Limited by Guarantee)
REGISTERED NUMBER: 07825856**

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		33,660,194		14,796,427
CURRENT ASSETS					
Debtors	13	1,000,047		81,818	
Cash at bank and in hand	16	3,901,140		2,337,743	
		<u>4,901,187</u>		<u>2,419,561</u>	
CREDITORS: amounts falling due within one year	14	(1,693,834)		(981,948)	
NET CURRENT ASSETS			<u>3,207,353</u>		<u>1,437,613</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>36,867,547</u>		<u>16,234,040</u>
Defined benefit pension scheme liability	21	(7,608,000)		(5,341,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>29,259,547</u></u>		<u><u>10,893,040</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	137,958		26,087	
Restricted fixed asset funds	15	33,689,707		14,796,427	
Restricted income funds excluding pension liability		<u>33,827,665</u>		<u>14,822,514</u>	
Pension reserve		<u>(7,608,000)</u>		<u>(5,341,000)</u>	
Total restricted income funds			<u>26,219,665</u>		<u>9,481,514</u>
Unrestricted income funds	15		<u>3,039,882</u>		<u>1,411,526</u>
TOTAL FUNDS			<u><u>29,259,547</u></u>		<u><u>10,893,040</u></u>

The financial statements on pages 19 to 43 were approved by the Trustees, and authorised for issue, on 19/12/17 and are signed on their behalf, by:

R. Knight

**Mr R Knight
Chair of Trustees**

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	17	2,030,937	241,944
Returns on Investments servicing of finance and interest			
Interest received		6,403	12,124
Purchase of tangible fixed assets		(473,943)	(161,120)
Net cash used in investing activities		(467,540)	(148,996)
Change in cash and cash equivalents in the year		1,563,397	92,948
Cash and cash equivalents brought forward		2,337,743	2,244,795
Cash and cash equivalents carried forward		3,901,140	2,337,743

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Southend East Community Academy Trust constitutes a public benefit entity as defined by FRS 102.

The functional and presentational currency of the Trust is Pounds Sterling.

1.2 Company status

The Trust is a company limited by guarantee. The Members of the company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is Shoeburyness High School, Caulfield Road, Shoeburyness, Essex, SS3 9LL.

1.3 Fund accounting

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

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

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

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

1.4 Income

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

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

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

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

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

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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..

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

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

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

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

Leasehold Land	-	straight line over the life of the lease
Leasehold/Freehold Buildings	-	straight line over 26 years
Motor vehicles	-	10 years straight line
Computer equipment	-	5 years straight line
Furniture and Equipment	-	10 years straight line

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

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.9 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Liabilities and provisions

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

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Assets received on conversion	1,209,115	(2,486,000)	19,558,646	18,281,761	-
Donations	91,077	100,176	-	191,253	183,514
Grants	-	23,800	-	23,800	23,800
Capital grants	-	-	284,779	284,779	33,976
Subtotal	91,077	123,976	284,779	499,832	241,290
	1,300,192	(2,362,024)	19,843,425	18,781,593	241,290
<i>Total 2016</i>	64,275	143,039	33,976	241,290	

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	13,437,196	13,437,196	9,192,718
Other DfE / ESFA grants	-	1,293,242	1,293,242	684,745
	-	14,730,438	14,730,438	9,877,463
Other government grants				
Local Authority grants	-	496,351	496,351	249,835
	-	496,351	496,351	249,835
Other funding				
Catering income	295,546	-	295,546	215,007
	295,546	-	295,546	215,007
	295,546	15,226,789	15,522,335	10,342,305
Total 2016	215,007	10,127,298	10,342,305	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	44,384	-	44,384	35,335
Extended schools	127,958	-	127,958	28,366
Sports activities	-	80,954	80,954	89,231
Music fees	27,609	-	27,609	17,802
Other income	220,988	94,788	315,776	74,613
	420,939	175,742	596,681	245,347
Total 2016	84,783	160,564	245,347	

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	6,403	6,403	12,124
	<u>6,403</u>	<u>6,403</u>	<u>12,124</u>
<i>Total 2016</i>	<u>12,124</u>	<u>12,124</u>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of Education:					
Direct costs	10,847,458	-	877,403	11,724,861	8,214,909
Support costs	2,415,944	2,098,306	1,129,394	5,643,644	3,266,764
	<u>13,263,402</u>	<u>2,098,306</u>	<u>2,006,797</u>	<u>17,368,505</u>	<u>11,481,673</u>
<i>Total 2016</i>	<u>8,677,515</u>	<u>1,454,837</u>	<u>1,349,321</u>	<u>11,481,673</u>	

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

7. CHARITABLE ACTIVITIES

	2017 £	2016 £
Direct costs	11,724,861	8,214,909
Support costs	5,643,644	3,266,764
Total	17,368,505	11,481,673

	2017 £	2016 £
Analysis of support costs		
Support staff costs	2,430,944	1,195,005
Depreciation	1,158,045	689,104
Technology	84,060	31,821
Premises costs	940,261	765,733
Other support costs	1,008,984	576,201
Governance	21,350	8,900
Total	5,643,644	3,266,764

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned or leased by the Academy Trust	1,158,045	689,104
Auditors' remuneration - audit	12,500	6,750
Auditors' remuneration - other services	8,850	4,000
Operating lease rentals	35,335	24,766

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	10,271,588	6,947,382
Social security costs	920,601	586,175
Other pension costs	2,006,001	1,053,339
	<u>13,198,190</u>	<u>8,586,896</u>
Supply teacher costs	80,212	90,619
	<u>13,278,402</u>	<u>8,677,515</u>

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

	2017 No.	2016 No.
Teachers	196	131
Administration and support	317	109
Management	21	4
	<u>534</u>	<u>244</u>

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	6	5
In the band £ 70,001 - £ 80,000	4	2
In the band £ 90,001 - £100,000	0	1
In the band £110,001 - £120,000	1	0

The key management personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £271,672 (2016: £868,346).

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

10. CENTRAL SERVICES

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

- CEO, SBM, CFO, Personnel Manager and Clerking time including attending meetings, information sharing, giving advice, supporting and training school staff as needed.
- Researching and negotiating contracts on a MAT basis for best value saving money for all schools.
- Consolidating all information and reports from the six schools to send to the relevant statutory bodies. Registering and reporting as the MAT when required.

The Trust charges for these services on the following basis:

To fund these costs, the Trust will retain 1% of each academy's GAG funding

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Shoeburyness High School	88,344	-
Bournes Green Infant School	7,335	-
Hinguar Community Primary School	8,694	-
Thorpedene Primary School	23,907	-
	<u>128,280</u>	<u>-</u>
Total	<u>128,280</u>	<u>-</u>

No central services charge were applied to Bournes Green Junior School or Richmond Avenue Primary School who joined the Trust on 1 August 2017.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

12. TANGIBLE FIXED ASSETS

	Freehold property £	L/Term Leasehold Property £	S/Term Leasehold Property £	Motor vehicles £	Other fixed assets £	Total £
Cost						
At 1 September 2016	-	17,217,526	-	37,278	1,232,008	18,486,812
Additions	-	69,810	289,086	9,900	105,147	473,943
Transfers on conversion	6,475,946	12,603,447	-	3,000	476,253	19,558,646
Disposals	-	-	-	(15,030)	(6,159)	(21,189)
At 31 August 2017	6,475,946	29,890,783	289,086	35,148	1,807,249	38,498,212
Depreciation						
At 1 September 2016	-	2,820,191	-	20,472	849,722	3,690,385
Charge for the year	206,744	846,595	-	4,043	100,663	1,158,045
On disposals	-	-	-	(8,843)	(1,569)	(10,412)
At 31 August 2017	206,744	3,666,786	-	15,672	948,816	4,838,018
Net book value						
At 31 August 2017	6,269,202	26,223,997	289,086	19,476	858,433	33,660,194
At 31 August 2016	-	14,397,335	-	16,806	382,286	14,796,427

13. DEBTORS

	2017 £	2016 £
Trade debtors	6,629	-
VAT recoverable	93,705	43,629
Other debtors	-	10,507
Prepayments and accrued income	899,713	27,682
	<u>1,000,047</u>	<u>81,818</u>

14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Other creditors	1,262,687	954,075
Accruals and deferred income	431,147	27,873
	<u>1,693,834</u>	<u>981,948</u>
Deferred income		
Deferred income at 1 September 2016	27,873	47,546
Resources deferred during the year	130,527	27,873
Amounts released from previous years	(27,873)	(47,546)
Deferred income at 31 August 2017	<u>130,527</u>	<u>27,873</u>

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

14. CREDITORS: Amounts falling due within one year (continued)

The deferred income in the year relates mainly to EFA rates relief income for the 2017/18 academic year.

15. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	1,411,526	2,023,080	(297,610)	(97,114)	-	3,039,882
Restricted funds						
General Annual Grant (GAG)	-	13,437,196	(13,276,095)	(161,101)	-	-
Pupil premium	-	960,483	(822,525)	-	-	137,958
SEN	-	214,869	(214,869)	-	-	-
Other DfE/EFA grants	-	332,759	(332,759)	-	-	-
Other Government grants	-	305,282	(310,282)	5,000	-	-
Educational visits	26,087	100,176	(126,263)	-	-	-
SSCO	-	80,954	(80,954)	-	-	-
Other restricted funds	-	94,788	(94,788)	-	-	-
Pension reserve	(5,341,000)	(2,486,000)	(609,000)	-	828,000	(7,608,000)
	(5,314,913)	13,040,507	(15,867,535)	(156,101)	828,000	(7,470,042)
Restricted fixed asset funds						
Restricted fixed asset fund	14,796,427	19,558,646	(1,168,822)	473,943	-	33,660,194
Devolved Formula Capital Funding (DFC)	-	58,289	(34,538)	-	-	23,751
Capital grants	-	226,490	-	(220,728)	-	5,762
	14,796,427	19,843,425	(1,203,360)	253,215	-	33,689,707
Total restricted funds	9,481,514	32,883,932	(17,070,895)	97,114	828,000	26,219,665
Total of funds	10,893,040	34,907,012	(17,368,505)	-	828,000	29,259,547

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted funds	1,351,778	376,189	(155,321)	(161,120)	-	1,411,526
	1,351,778	376,189	(155,321)	(161,120)	-	1,411,526

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

15. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	-	9,192,718	(9,192,718)	-	-	-
Pupil premium	-	596,613	(596,613)	-	-	-
SEN	-	144,284	(144,284)	-	-	-
Other DfE/ESFA grants	-	127,252	(127,252)	-	-	-
Other Government grants	-	66,431	(66,431)	-	-	-
Educational visits	19,301	115,087	(108,301)	-	-	26,087
SSCO	-	89,231	(89,231)	-	-	-
Other restricted funds	-	99,285	(99,285)	-	-	-
Pension reserve	(3,343,000)	-	(154,000)	-	(1,844,000)	(5,341,000)
	<u>(3,323,699)</u>	<u>10,430,901</u>	<u>(10,578,115)</u>	<u>-</u>	<u>(1,844,000)</u>	<u>(5,314,913)</u>

Restricted fixed asset funds

Restricted fixed asset fund	15,329,133	-	(693,826)	161,120	-	14,796,427
Devolved Formula Capital Funding (DFC)	20,435	33,976	(54,411)	-	-	-
	<u>15,349,568</u>	<u>33,976</u>	<u>(748,237)</u>	<u>161,120</u>	<u>-</u>	<u>14,796,427</u>
Total restricted funds	<u>12,025,869</u>	<u>10,464,877</u>	<u>(11,326,352)</u>	<u>161,120</u>	<u>(1,844,000)</u>	<u>9,481,514</u>
Total of funds	<u>13,377,647</u>	<u>10,841,066</u>	<u>(11,481,673)</u>	<u>-</u>	<u>(1,844,000)</u>	<u>10,893,040</u>

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals.

Special Educational Needs (SEN)

This represents allocated funding for special educational needs pupils.

Other DfE/ESFA Grants

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

Other Government Grants

These represent other grants from local and national Government bodies.

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the visits.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

15. STATEMENT OF FUNDS (continued)

Other restricted funds

This represents income received from additional bodies for a specific purpose.

Pension reserve

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from state controlled schools.

Restricted Fixed Asset Funds

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. The transfer in of £116,120 represents the costs of assets acquired in the year which have been funded by unrestricted funds.

Devolved Formula Capital (DFC) fund

The School is to use the DFC allocation to maintain and improve its buildings and facilities.

SSCO

This represents funding towards the cost of employing an SSCO and specific activities arranged by them.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Shoeburyness High School	1,779,748	1,437,613
Bournes Green Infant School	151,242	-
Bournes Green Junior School	323,054	-
Hinguar Community Primary School	11,576	-
Richmond Avenue Primary School and Nursery	394,264	-
Thorpedene Primary School	483,925	-
Central services	34,031	-
Total before fixed asset fund and pension reserve	3,177,840	1,437,613
Restricted fixed asset fund	33,689,707	14,796,427
Pension reserve	(7,608,000)	(5,341,000)
Total	29,259,547	10,893,040

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

15. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Shoeburyness High School	7,211,947	1,472,979	626,449	1,291,198	10,602,573	10,792,569
Hinguar Community Primary School	788,375	224,243	69,744	215,032	1,297,394	-
Bournes Green Infant School	595,615	134,049	27,982	178,397	936,043	-
Thorpedene Primary School	1,994,485	557,957	149,014	338,694	3,040,150	-
Bournes Green Junior School	62,760	11,407	3,614	2,035	79,816	-
Richmond Avenue Primary School	121,151	24,625	600	13,160	159,536	-
Central services	73,125	5,685	-	16,139	94,949	-
	<u>10,847,458</u>	<u>2,430,945</u>	<u>877,403</u>	<u>2,054,655</u>	<u>16,210,461</u>	<u>10,792,569</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	33,660,194	33,660,194
Current assets	3,039,882	1,831,792	29,513	4,901,187
Creditors due within one year	-	(1,693,834)	-	(1,693,834)
Provisions for liabilities and charges	-	(7,608,000)	-	(7,608,000)
	<u>3,039,882</u>	<u>(7,470,042)</u>	<u>33,689,707</u>	<u>29,259,547</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	14,796,427	14,796,427
Current assets	1,411,526	1,008,035	-	2,419,561
Creditors due within one year	-	(981,948)	-	(981,948)
Provisions for liabilities and charges	-	(5,341,000)	-	(5,341,000)
	<u>1,411,526</u>	<u>(5,314,913)</u>	<u>14,796,427</u>	<u>10,893,040</u>

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	17,538,507	(640,607)
Adjustment for:		
Depreciation charges	1,158,045	689,104
Dividends, interest and rents from investments	(6,403)	(12,124)
Loss on the sale of fixed assets	10,777	-
(Increase)/decrease in debtors	(918,229)	29,832
Increase in creditors	711,886	17,017
Defined benefit pension scheme obligation inherited	2,486,000	-
Defined benefit pension scheme finance cost	609,000	154,000
Fixed assets inherited from Local Authority on conversion	(19,558,646)	-
Deficit on disposal of tangible fixed assets	-	4,722
Net cash provided by operating activities	<u>2,030,937</u>	<u>241,944</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	3,901,140	2,337,743
Total	<u>3,901,140</u>	<u>2,337,743</u>

19. CONVERSION TO AN ACADEMY TRUST

Hinguar Community Primary School

On 1 September 2016 Hinguar Primary School and Nursery converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Southend East Community Academy Trust from Southend-On-Sea Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	5,969,252	5,969,252
- Other tangible fixed assets	-	-	87,404	87,404
Other assets	81,377	-	-	81,377
LGPS pension surplus/(deficit)	-	(145,000)	-	(145,000)
Net assets/(liabilities)	<u>81,377</u>	<u>(145,000)</u>	<u>6,056,656</u>	<u>5,993,033</u>

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

Thorpedene Primary School

On 1 September 2016 Thorpedene Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Southend East Community Academy Trust from Southend-On-Sea Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2017 £
Tangible fixed assets	-	-	-	-
- Freehold land and buildings	-	-	6,475,946	6,475,946
- Other tangible fixed assets	-	-	168,713	168,713
Other assets	318,985	-	-	318,985
LGPS pension surplus/(deficit)	-	(1,123,000)	-	(1,123,000)
Total	318,985	(1,123,000)	6,644,659	5,840,644

Bournes Green Infant School

On 1 September 2016 Bournes Green Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Southend East Community Academy Trust from Southend-On-Sea Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2017 £
Tangible fixed assets	-	-	-	-
- Leasehold land and buildings	-	-	1,317,290	1,317,290
- Other tangible fixed assets	-	-	49,749	49,749
Other assets	150,537	-	-	150,537
LGPS pension surplus/(deficit)	-	(252,000)	-	(252,000)
Total	150,537	(252,000)	1,367,039	1,265,576

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

Bournes Green Junior School

On 1 August 2017 Bournes Green Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Southend East Community Academy Trust from Southend-On-Sea Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2017 £
Tangible fixed assets	-	-	-	-
- Leasehold land and buildings	-	-	1,949,986	1,949,986
- Other tangible fixed assets	-	-	68,089	68,089
Other assets	308,913	-	-	308,913
LGPS pension surplus/(deficit)	-	(367,000)	-	(367,000)
Total	308,913	(367,000)	2,018,075	1,959,988

Richmond Avenue Primary and Nursery School

On 1 August 2017 Richmond Avenue Primary and Nursery School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Southend East Community Academy Trust from Southend-On-Sea Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2017 £
Tangible fixed assets	-	-	-	-
- Leasehold land and buildings	-	-	3,366,920	3,366,920
- Other tangible fixed assets	-	-	105,297	105,297
Other assets	349,303	-	-	349,303
LGPS pension surplus/(deficit)	-	(599,000)	-	(599,000)
Total	349,303	(599,000)	3,472,217	3,222,520

20. 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.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

21. PENSION COMMITMENTS

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

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

Contributions amounting to £146,818 were payable to the schemes at 31 August 2017 (2016 - £NIL) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £971,855 (2016 - £693,740).

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

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

21. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £703,000 (2016 - £417,000), of which employer's contributions totalled £558,000 (2016 - £334,000) and employees' contributions totalled £145,000 (2016 - £86,000). The agreed contribution rates for future years are 12.3% for employers and 7% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %
Inflation assumption (RPI)	3.60 %	3.20 %

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

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

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	12,151,000	7,332,000
Discount rate -0.1%	12,542,000	7,645,000
Mortality assumption - 1 year increase	12,853,000	7,700,000
Mortality assumption - 1 year decrease	12,275,000	7,280,000
CPI rate +0.1%	12,487,000	7,629,000
CPI rate -0.1%	12,372,000	7,348,000

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	3,157,000	1,481,000
Gilts	302,000	86,000
Bonds	188,000	86,000
Property	469,000	236,000
Alternative assets	368,000	86,000
Cash	149,000	64,000
Other funds	204,000	107,000
Total market value of assets	4,837,000	2,146,000

The actual return on scheme assets was £468,000 (2016 - £258,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(1,022,000)	(360,000)
Interest income	72,000	69,000
Interest cost	(217,000)	(196,000)
Total	(1,167,000)	(487,000)

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

	2017 £	2016 £
Opening defined benefit obligation	7,487,000	4,912,000
Upon conversion	3,786,000	-
Current service cost	1,022,000	360,000
Interest cost	217,000	196,000
Employee contributions	145,000	83,000
Actuarial (gains)/losses	(108,000)	2,033,000
Benefits paid	(104,000)	(97,000)
Closing defined benefit obligation	12,445,000	7,487,000

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A Company Limited by Guarantee)

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

21. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	2,146,000	1,569,000
Upon conversion	1,300,000	-
Interest income	72,000	69,000
Actuarial losses	720,000	189,000
Employer contributions	558,000	334,000
Employee contributions	145,000	83,000
Benefits paid	(104,000)	(97,000)
Administration expenses	-	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	4,837,000	2,146,000
	<hr/>	<hr/>

22. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	24,904	31,065
Between 1 and 5 years	77,975	88,794
	<hr/>	<hr/>
Total	102,879	119,859
	<hr/>	<hr/>

23. RELATED PARTY TRANSACTIONS

The Trustee, Peter Melville, is related to two members of staff employed on contracts of employment.

Any transactions where the Trustee has a pecuniary interest would only be undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

During the year the Trust incurred fees of £1,701 (2016 - £Nil) in respect of services from St. Anns Manufacturing Co. Limited, a company of which Mr A Scanes is a director.

During the year the Trust received £9,785 (2016 - £Nil) from Hamstel Infant School, a school at which Mr M Sweeting is a Governor, for minibus and School Sports Co-Ordinator fees. The amount owed by them at the year end was £Nil (2016 - £Nil).

During the year the Trust received £2,100 (2016 - £Nil) from Porters Grange Primary School, a school at which Mr G Lane is a Governor, for School Sports Co-Ordinator fees. The amount owed by them at the year end was £Nil (2016 - £Nil).