

Registrar's Copy

Company Registration Number: 07825856 (England & Wales)

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

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SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr D Andrews Ms C Carswell Rev J Collis (resigned 27 November 2019) Mr L Lord (appointed 26 March 2020) Mrs A Savill (appointed 26 March 2020, resigned 25 October 2020) Mr A Scaines
Trustees	Mrs R Brock, Chief Executive Officer Mr S Chamberlain, Chair of the Personnel and Pay Committee (appointed 16 June 2020) Mrs D Ellis (appointed 16 June 2020) Mr S Goodall (resigned 1 December 2019) Mrs K Gribbon, Chair of Trustees (appointed 16 June 2020) Mr S Gush, Chair of Resources Committee (appointed 28 April 2020) Mr R Knight, Vice Chair of Trust Board Mr M Malik (appointed 28 September 2020) Mrs A Margison (appointed 28 April 2020, resigned 28 June 2020) Mr P Melville (resigned 31 August 2020) Mrs M Palles-Clark, Vice Chair of Trust Board (resigned 15 May 2020) Mrs S Rollason, Chair of Curriculum & Pupil Matters Committee Mr B Sandford (resigned 3 October 2020) Mrs A Savill (appointed 4 June 2019, resigned 4 March 2020) Mrs C Skingle (appointed 13 August 2020) Mr M Sweeting, Chair of Trust Board (resigned 22 May 2020)
Company registered number	07825856
Company name	Southend East Community Academy Trust
Principal and registered office	SECAT House Delaware Road Shoeburyness Essex SS3 9NP
Chief Executive Officer	Mrs R Brock
Senior management team	Mrs R Brock, Chief Executive Officer Mr S Oxenham, Interim Chief Financial Officer (resigned September 2020) Mrs D Trumble, Finance Director (appointed September 2019) Mrs G Ore, HR Manager (appointed September 2019) Mr T Dignam, Trust ICT Manager (appointed February 2020) Mr B Stickley, Chief Operating Officer (appointed September 2020)
Independent auditors	MWS Chartered Accountants Registered Auditor Kingsridge House 601 London Road Westcliff on sea Essex SS0 9PE

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

Lloyds Bank Plc
77 High Street
Southend
SS1 1HT

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020. 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 serving a catchment area in Shoeburyness. The Academies have a combined capacity of 3521 and had a roll of 3389 in the 2019 census, including nurseries.

Structure, governance and management

a. Constitution

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

The operation of The Trust's 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 Resources Committee. Throughout this report the Board of Trustees is referred to as the Main Governing Body (MGB). Each Academy has appointed Academy Committees (AC) 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 refers to a member of the MGB and the term Governor to a member of an AC.

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and details of the costs are disclosed in Note 14 to the accounts

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. 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 thirteen Trustees, the Chief Executive Officer is appointed by the Trust Board. The Trustees have appointed no co opted Trustees making a total of Fifteen Trustees. During the reporting period seven Trustees resigned, thus at the end of the reporting period the Trust Board consisted of eight Trustees. Trustees are appointed for a fixed term of four years. The Chief Executive Officer (CEO) is an ex officio member of the Trust Board. Trustees are appointed to office by recommendation to the Members from the MGB or appointed by the MGB if the Trustees believe a particular skill is required and to meet the business needs of the Trust.

e. Policies adopted for the induction and training of Trustees

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training 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 governors receive a tour of the relevant Academy and are provided with key documents necessary for their role.

f. 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 Trust Board, meets on at least six occasions per year and its 3 sub committees meet at least three times per year. In this year, additional meetings have been put in place to address any emerging issues or to ensure that recommendations are considered and decisions are made in a timely fashion.

The Trust Board is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual and long term three year plan, as well as short and long term budget management and monitoring. The Trust, by the use of those budgets make major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Trust Board also considers the wider implications of changes in the structure of individual schools, redundancy and rationalising staff across schools where it is deemed necessary.

Following a review of the Terms of Reference of the Academy Committees (ACs), the governors within their AC's have delegated responsibility for implementing policy, ensuring the appropriateness of spend against the allocated and agreed annual budgets and monitoring performance against that budget. ACs are also responsible for ensuring that the flow of information to the MGB is timely and appropriate so that pertinent strategic decisions are enabled.

The Senior Leadership Teams (SLTs) have been delegated responsibility with ACs to control the individual Academies, implementing policies and reporting to their AC. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following consent from the CEO, and ensuring they follow vetting and safeguarding recruitment processes.

The Chief Executive Officer (CEO), the Chief Operating Officer (COO) and the Finance Director, look across the Trust and align local SLT and ACs' activity with the strategic aims of The Trust as a whole.

The Trust's CEO is the Accounting Officer. The COO is the Chief Finance Officer.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. 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. At all times, equality across the Trust is considered.

All amendments to key management's pay and remuneration is approved by the appropriate sub committee of the Trust Board (The Pay & Personnel Committee) and ratified by the Trust Board. The pay and remuneration of the CEO and COO is determined by the Trust Board following an external review in the autumn term of each academic year.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	5
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	1,002
Total pay bill	17,057,796
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2 %
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SOUTHEND EAST COMMUNITY ACADEMY TRUST

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees 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 members of the MGB 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. Where interests have been identified, these are communicated to all relevant staff to ensure transparency and adherence to 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
- Southend East Teaching School Alliance
- Southend High School for Boys

The Trust does not have a formal sponsor.

j. Engagement with employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

These engagements have had a direct impact on areas including support staff restructure consultations, where timelines were extended in line with feedback from union and staff representatives to allow a more considered process.

Employees are involved in the current review of the mission and ethos of the Trust as part of a group to relook at these and make sure they fit the organisation and our ambitions.

The Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy Trust's equal opportunities policy, the Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy Trust's offices.

k. Engagement with suppliers, customers and others in a business relationship with the Academy Trust

This is combined with the reporting on the achievement of our objectives.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Objects and aims

The Academy Trust's object is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing academies offering a broad and balanced curriculum ("the Academies").

b. Objectives, strategies and activities

The principal activity of the Charitable Company is the operation of Southend East Academy Trust to provide education for pupils, between the ages of 3 and 18 with an emphasis on academic progression.

The 'Scheme of Governance' approved by the Secretary of State specifies, amongst other things, the basis for admitting students to the Academy, the provision for pupils with SEN and that the curriculum should be broad and balanced.

The main objectives of the Academy Trust are summarised below:

- To raise the standards of educational achievement of all pupils;
- To ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care;
- To improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct business in accordance with the highest standards of integrity, probity and openness.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

a. Introduction

The Trust continued its mission to ensure that pupils achieved their potential in public examinations; encouraged a wide range of extra curricular activities; developed and retained suitable staff and prepared and guided pupils as they move to the next stage of their education career, despite the challenges of lockdown in March 2020 and the need to deliver remote education. Formal examinations and assessments were not undertaken in 2020 due to the Coronavirus situation, as such the most recent data available is from 2019 and is identified below as a point of reference. Specific achievements were as follows in 2019:

KS2 SATs 2019

Academy	RWM N/A 2018 64%	Reading Exp N/A 2018 75%	Reading GD N/A 2018 28%	Writing Exp N/A 2018 78%	Writing GD N/A 2018 20%	Maths Exp N/A 2018 76%	Maths GD N/A 2018 24%	Reading Progress	Writing Progress	Maths Progress
Thorpedene Primary	71%	78%	23%	82%	23%	84%	27%	+2.4	+2.9	+2.7
Richmond Avenue Primary	58%	72%	24%	71%	19%	65%	14%	-1.12	-2.06	-2.43
Hinguar Primary	97%	100%	40%	97%	40%	100%	77%	+5.95	+4.47	+8.38
Bournes Green Junior	85%	87%	43%	91%	36%	91%	52%	+1.4	-0.5	-0.3

Key Stage 1 Results

Academy	RWM N/A 2018 65%	Reading Exp N/A 2018 75%	Reading DA N/A 2018 79%	Writing Exp N/A 2018 70%	Writing DA N/A 2018 74%	Maths Exp N/A 2018 76%	Maths DA N/A 2018 80%
Thorpedene Primary	65%	74%	62%	82%	59%	84%	56%
Richmond Avenue Primary	61%	71%	67%	68%	67%	70%	73%
Hinguar Primary	73%	87%	75%	73%	75%	87%	75%
Bournes Green Infant	87%	93%	50% (4)	93%	50%	92%	50%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

EYFES Results 2019

Academy	(NA %GLD 2018 72%)
Thorpedene Primary	69%
Richmond Avenue Primary	70%
Hinguar Primary	80%
Bourmes Green Infant	78%

KS4 results 2019

Down on 2018. Attainment 8 is down. P8 is negative.

English is at 76% 4+ but fewer higher grades and **so progress down**

Maths has held its 4+ and **5+ are down** and **large numbers of grade 3**

History and Geography are both down and each have approximately 25% grade 3s

Languages did **well on higher tier** but again **3s on Foundation (20 %)**

RE results were **up with 80% grade 5+**

Music had **86% 5+**

Art **82% 5+**

GCSE PE had **77% 5+** and BTEC PE

Creative Digital Media had **49% Distinction + and 28% D***

b. Key financial performance indicators

The Management Accounts contain a page on the Financial Health of the Academy Trust and it also lists four key ratios:

Ratios	2020	2019
Adjusted Current Ratio	2.56	2.88
Net revenue income/(expenditure) as a % of revenue income*	2.06%	1.06%
Staff Costs as a % of revenue income*	82.68%	80.43%
Staff Costs as a % of total income*	78.13%	72.60%

*Excluding defined benefit pension scheme adjustments.

c. Going concern

After making appropriate enquiries, the Trustees have considered the Trust having reasonable resources to continue in operational existence for the foreseeable future. The Trust 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

d. Promoting the success of the company

The directors of SECAT act in the way they consider, in good faith, would be most likely to the success of the charity to achieve its charitable purposes, and in doing so have regard (amongst other matters) to:

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

These factors are achieved in part by the production of a three year strategic plan for the organisation, informed by stakeholders as covered in the organisational structure section of this report. The current version is available on the SECAT website.

Financial review

a. Introduction

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 2020 the Trust received £18,129,267 of GAG and other ESFA/DfE revenue 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 £20,288,915 on revenue expenditure and transferred £133,508 to support capital new build and improvement projects on the various academy sites. The Trust brought forward from 18/19, £371,451 restricted income funds and £2,976,251 unrestricted funding. The carry forward for 19/20 is £417,579 restricted income funding and £3,199,452 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a pension fund deficit of £10,627,000, which is more than was anticipated. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

b. 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 Resources Committee from the Chief Financial Officer. 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 £3,199,452. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

These unrestricted funds are held to cover future increases in costs and expenditure that may arise from uninsurable losses and in year contingencies. The reserve policy aims to have a carry forward of between 8.3% and 16.7% of total operating expenditure to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £3,617,031.

The cash balance of the Trust has been healthy for the majority of the year, ending the year with a balance of £6,043,545. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the reports from the Chief Financial Officer to the Resources Committee and attempt to hold a minimum of £1,650,000 to cover short term cash flow variances.

c. 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. Following the decision by the Trust Board to bring the collective Academy reserves into the Centre, the Central Reserves for the accounting year in question, have been placed with Lloyds Bank Overnight Deposit. For the year ended 31 August 2020 the Trust generated a total return of £7,533 on amounts held in interest bearing deposit and current accounts.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

d. Principal risks and uncertainties

The Trust works with the ACs 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 Resources Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Resources Committee meeting. The principle 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.

Following review, the Trustees report that the Trust's financial and internal controls now 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 within the Trust 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 including implementing a system by the Trust Board to allocate agreed budgets to each Academy;
- 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 pupil 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 - An Audit company is employed by SECAT to carry out internal checks on financial systems; and independent and external checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training and regular updates 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

Financing of equipment and services from funds outside the Trust's normal revenue budgets is becoming increasingly important in maintaining the quality of education for our pupils. Currently the majority of the additional income from fundraising comes from voluntary donations, through PA (parent association) and other parental contributions for trips and clubs, and a small level of Grant fundraising. We currently have not explored sponsorship opportunities.

Fundraising is seen by the Trust as a legitimate means of improving our ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. For the public donating cash or equipment, or actively raising funds is seen as a positive way of supporting schools within the Trust.

The Board of Trustees is responsible for ensuring that:

- Correct procedures are in place and followed for fundraising activities
- Expenditure is properly validated
- All funds raised are properly accounted for and audited
- The money is expended in accordance with the objectives agreed with the fund raisers.

The trust follows the Department for Education's Charging for School Activities published guidance, which includes parental donations. All communications relating to fundraising matters are monitored and approved by the Headteachers in order to protect the public from unreasonable intrusive or persistent fundraising approaches.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2020
Energy consumption breakdown (kWh):	
Gas	2,001,216
Electricity	1,036,880
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	460.88
Owned transport	1.00
Total scope 1	461.88
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	241.74
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	1.00
Total gross emissions (in tonnes of CO2 equivalent):	704.62
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	0.21

Quantification and Reporting Methodology

The Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

There is particular focus on the following for 2020/21:

- To continue to develop the work of the multi Academy Trust Central Team in particular in relation to the centralisation of the HR function management of finance, and to develop those relating to HR, resources and ICT
- To develop accountability for the schools' outcomes and financial monitoring through scrutiny in monthly professional dialogues with the CEO, reports to the Trustees, data review meetings and school performance visits/reviews, and focused reviews of specific emerging priorities.
- To share and develop best practice across the MAT and wider afield in leadership, teaching and learning and curriculum through curriculum strategy groups (CSG's), learning walks and the development of the Learning and Development Strategy identifying pathways for all members of the SECAT family.
- To transform the support across the MAT for pupils to include, but not exclusively, Leadership, SEND, LAC, those eligible for Pupil Premium funding, MA (More Able), safeguarding and attendance.
- To drive improvement in outcomes through identified MAT interventions, with a particular focus on progress of specific groups, and continued increase in 6th form outcomes.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2020 and signed on its behalf by:

Mrs K Gribbon - Chair of Trustees

Mrs K Gribbon
Chair of Trustees

Mrs R Brock - Chief Executive Officer

Mrs R Brock
Chief Executive Officer

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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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 Board of Trustees has delegated the day to day responsibility to the CEO, as Accounting Officer and the COO 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. The CEO is also responsible for reporting to the Board of Trustees and the relevant sub committees therein, any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 16 times during the year.

Attendance during the year at meetings of the board of trustees (with some leaving and joining throughout the year) was as follows:

Trustee	Meetings attended	Out of a possible
Mrs R Brock, Chief Executive Officer	15	16
Mr S Chamberlain, Chair of the Personnel and Pay Committee	5	5
Mrs D Ellis	5	5
Mr S Goodall	2	2
Mrs K Gribbon, Chair of Trustees	5	5
Mr S Gush, Chair of Resources Committee	8	11
Mr R Knight, Vice Chair of Trust Board	16	16
Mr M Malik	0	0
Mrs A Margison	2	6
Mr P Melville	11	16
Mrs M Palles-Clark, Former Vice Chair of Trust Board	5	7
Mrs S Rollason, Chair of Curriculum & Pupil Matters Committee	13	16
Mr B Sandford	15	16
Mrs A Savill	3	4
Mrs C Skingle	1	1
Mr M Sweeting, Former Chair of Trust Board	6	7

The Board composition changed during the course of the year, with nine Trustees resigning leaving seven vacancies (which were Member appointments). Following a skills audit, identified the need for HR and secondary and primary education expertise. Appropriate appointments were made to those skills gaps during the course of the year.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Resources committee is a sub committee of the main Board of Trustees. Its purpose is to monitor the expenditure and have oversight of annual budgets, report against KPIs, have scrutiny of individual Academies' budget expenditure, policies and reporting, assess risks and put forward proposals to the Trust Board to mitigate and manage risk it also includes the functions of the Audit Committee.

During the year 2019 20, we have continued to centralise the finance function reducing the risks of inaccurate reporting. The consistency with which Academies report to the Resources Committee so that the Trust Board have informed oversight of Trust funds, sustainability and risk.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Goodall	0	2
Mr R Knight, vice chair	6	6
Mr P Melville, Chair	4	6
Mr S Gush	2	2
Mrs R Brock	5	6

The Personnel and Pay committee is a sub committee of the Main Board of Trustees. Its purpose is to monitor and approve pay and personnel matters and to approve pay recommendations on behalf of the Main Board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr B Sandford	3	3
Mrs M Palles-Clark	2	3
Mrs R Brock	3	3
Mrs S Rollason	2	3
Mr P Melville	1	3
Mrs A Savill	1	3

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

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:

Educational Outcomes

- Ensuring improved results for pupils across the Trust from KS1 – KS5.
- Supporting and challenging the schools in the Trust to ensure that pupil outcomes remain at the heart of everything we do: for example, reviewing the curriculum provision and access for all pupils. 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, Modern Foreign Languages and Science to support teaching and learning. Regular Away Days have taken place with all SLTs, Trustees and Governors invited to partake in themed workshops e.g. Change Management, Mental Health, Communication. Learning walks have been completed across the trust and a numeracy strategy group has been set up. The Trust academies ran a SECAT Maths team within KS2 and this was well attended within the trust and enjoyed by all.
- Primary Sports Day run by staff from the Secondary School for all primary children – excellent feedback on participation and enjoyment
- Encouraging increased attendance to facilitate learning: with all academies within the Trust, working together to reduce absenteeism and highlight potential absenteeism for the future. Attendance across the Trust is higher than National.

Business Planning

The Trust holds half termly meetings with the School Office Team Leaders and Finance staff of each academy and regular communication on a fortnightly basis, 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 preparation for GDPR was completed with one academy producing a template used across the trust with regards to GDPR requirements
- Consolidation of Reports: for example, central completion of reports for the DfE such as the Business Register and Employment Survey (BRES), saving time and resources within the academies.
- Continue Negotiation of Contracts: for example, centralising contracts across the Trust, in particular those held with Southend Borough Council for sports provision, cleaning, fire and Health and Safety checks. resulting in cost savings for all academies..
- Shared Training: for example, moderation of standards at EYFS, KS 1 and KS2. Ofsted training, in house rather than through the Borough.
- The Trust has a clear scheme of delegation and authorisation approved by the Board and this was followed throughout the year.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

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 transactions with support offered by the Chief Financial Officer.

- Value for Money is sought by all budget holders: For example, value from external suppliers is ensured by the fact that for any order between £501 to £6,000 the budget holder must 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.
- Tender process and procurement service utilised: For example, current negotiations regarding building and maintenance contract for members of the Trust to benefit from economies of scale
- The National pay change for associate staff was implemented in April salaries and following information from Essex pension services adjustments have also been made. Rising on costs continue to be a concern to academies and all vacancies are carefully analysed to ensure only essential replacements are made.

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 continues to lead to opportunities for expertise to be shared across the Trust with regards to maintenance, personnel, finance and administration as well as teaching and learning.
- Collaborative Working & Learning: For example, the Headteachers work closely together regularly; Away Days for all Academies and their teams.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Rickard Lucking as internal auditor. This firm is not connected in any way to our external auditors as specified in the revised FRC Ethical Standards.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of compliance with the financial regulations

On a quarterly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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 internal auditor;
- the work of the external auditors;
- the work of the senior leaders within the Academy 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 7 December 2020 and signed on their behalf by:

Mrs K Gribbon - Chair of Trustees
Mrs K Gribbon
Chair of Trustees

Mrs R Brock - Chief Executive Officer
Mrs R Brock
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 Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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.

Mrs R Brock - Chief Executive Officer

Mrs R Brock
Accounting Officer
Date: 7 December 2020

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2020 and signed on its behalf by:

Mrs K Gribbon - Chair of Trustees

Mrs K Gribbon
Chair of Trustees

Mrs R Brock - Chief Executive Officer

Mrs R Brock
Chief Executive Officer
Trustee

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 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy 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.

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 (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy 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.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Jonathan Gorridge

Jonathan Gorridge FCA (Senior statutory auditor)
for and on behalf of
MWS
Chartered Accountants
Registered Auditor
Kingsridge House

601 London Road
Westcliff on sea
Essex
SS0 9PE

Date: 21 December 2020

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTHEND EAST COMMUNITY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated May 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 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 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 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessing the risk of material irregularity in the Academy Trust
- Commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academies Financial Handbook
- Investigating any areas of significant risk identified
- Consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment
- A review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTHEND
EAST COMMUNITY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

Reporting Accountant
MWS
Chartered Accountants

Kingsridge House
601 London Road
Westcliff on sea
Essex
SS0 9PE

Date: 21 December 2020

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 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Income from:						
Donations and capital grants:	4					
Assets received on conversion		-	-	-	-	(172,680)
Other donations and capital grants		83,785	16,652	1,136,363	1,236,800	2,534,959
Charitable activities	5	193,973	18,968,670	-	19,162,643	18,256,102
Other trading activities	6	277,139	-	-	277,139	411,046
Investments	7	7,533	-	-	7,533	8,277
Total income		562,430	18,985,322	1,136,363	20,684,115	21,037,704
Expenditure on:						
Charitable activities	8	105,983	19,880,932	1,321,633	21,308,548	20,750,632
Total expenditure		105,983	19,880,932	1,321,633	21,308,548	20,750,632
Net income/ (expenditure)		456,447	(895,610)	(185,270)	(624,433)	287,072
Transfers between funds	19	(233,246)	99,738	133,508	-	-
Net movement in funds before other recognised gains/(losses)		223,201	(795,872)	(51,762)	(624,433)	287,072
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(860,000)	-	(860,000)	(1,314,000)
Net movement in funds		223,201	(1,655,872)	(51,762)	(1,484,433)	(1,026,928)

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
	Note					
Reconciliation of funds:						
Total funds brought forward as previously stated		2,976,251	(8,553,549)	37,561,916	31,984,618	33,330,901
Prior year adjustment	18	-	-	1,881,187	1,881,187	1,561,832
Total funds brought forward as restated		2,976,251	(8,553,549)	39,443,103	33,865,805	34,892,733
Net movement in funds		223,201	(1,655,872)	(51,762)	(1,484,433)	(1,026,928)
Total funds carried forward		3,199,452	(10,209,421)	39,391,341	32,381,372	33,865,805

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 34 to 65 form part of these financial statements.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07825856

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Tangible assets	15	39,014,513	38,697,692
		<u>39,014,513</u>	<u>38,697,692</u>
Current assets			
Debtors	16	515,229	427,710
Cash at bank and in hand		6,043,545	5,845,644
		<u>6,558,774</u>	<u>6,273,354</u>
Creditors: amounts falling due within one year	17	(2,564,915)	(2,180,241)
Net current assets		<u>3,993,859</u>	<u>4,093,113</u>
Total assets less current liabilities		<u>43,008,372</u>	<u>42,790,805</u>
Net assets excluding pension liability		<u>43,008,372</u>	<u>42,790,805</u>
Defined benefit pension scheme liability	26	(10,627,000)	(8,925,000)
Total net assets		<u><u>32,381,372</u></u>	<u><u>33,865,805</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	39,391,341	39,443,103
Restricted income funds	19	417,579	371,451
		<u>39,808,920</u>	<u>39,814,554</u>
Restricted funds excluding pension asset	19	39,808,920	39,814,554
Pension reserve	19	(10,627,000)	(8,925,000)
Total restricted funds	19	<u>29,181,920</u>	<u>30,889,554</u>
Unrestricted income funds	19	<u>3,199,452</u>	<u>2,976,251</u>
Total funds		<u><u>32,381,372</u></u>	<u><u>33,865,805</u></u>

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07825856

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 29 to 65 were approved by the Trustees, and authorised for issue on 07 December 2020 and are signed on their behalf, by:

Mrs K Gribbon - Chair of Trustees

Mrs K Gribbon
Chair of Trustees

Mrs R Brock - Chief Executive Officer

Mrs R Brock
Trustee

The notes on pages 34 to 65 form part of these financial statements.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	21	802,968	511,126
Cash flows from investing activities	22	(605,067)	491,530
Change in cash and cash equivalents in the year		197,901	1,002,656
Cash and cash equivalents at the beginning of the year		5,845,644	4,842,988
Cash and cash equivalents at the end of the year	23, 24	<u>6,043,545</u>	<u>5,845,644</u>

The notes on pages 34 to 65 form part of these financial statements

SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The Academy Trust is a company limited by guarantee, it was incorporated in England and Wales.
The registered office is:

SECAT House
Delaware Road
Shoeburyness
SS3 9NP

The registered number is: 07825856

2. 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.

2.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 Going concern

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.6 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

2.7 Tangible fixed assets

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

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

All depreciation will be calculated using the straight line method.

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Property will be split into the following parts for the purpose of depreciation, as per FRS 102. All items will be depreciated separately:

Freehold land	- Not depreciated
Roof additions and improvements	- straight line over 25 years
Buildings and value attributed to leasehold land	- 125 Years (or the leasehold period if shorter)
Electrical, Mechanical and Heating additions and improvements	- 10 years straight line
Other equipment	- 5 years straight line

Buildings inherited and donated on conversion to Academy are valued at the depreciated replacement cost at the date of transfer. Subsequently these assets are depreciated straight line over the period of their useful remaining life as follows:

Shoeburyness High School	- 35 years
Bournes Green Infant School	- 35 years
Bournes Green Junior School	- 35 years
Richmond Avenue Primary & Nursery School	- 35 years
Thorpedene Primary School	- 35 years
Hinguar Primary school & Nursery	- 50 years

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.

2.8 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.

2.9 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.

2.10 Liabilities

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.12 Operating leases

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

2.13 Pensions

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

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

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

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.14 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The only critical area of judgement other than the LGPS pension scheme liability is that of depreciation; rates of which are chosen where considered reasonable for the types of asset in question.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	83,785	16,652	63,886	164,323	324,560
Government grants	-	-	1,072,477	1,072,477	2,037,719
Total 2020	83,785	16,652	1,136,363	1,236,800	2,362,279
Total 2019	261,897	55,163	2,045,219	2,362,279	

5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	15,810,989	15,810,989	15,616,394
Other DfE/ESFA grants	-	2,318,278	2,318,278	1,632,866
	-	18,129,267	18,129,267	17,249,260
Other government grants				
Local Authority grants	-	807,702	807,702	642,800
Other Government grants	-	24,653	24,653	23,800
	-	832,355	832,355	666,600
Other funding				
Other grants	-	2,000	2,000	-
Catering income	193,973	-	193,973	340,242
	193,973	2,000	195,973	340,242
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	5,048	5,048	-
	193,973	18,968,670	19,162,643	18,256,102
Total 2019	340,242	17,915,860	18,256,102	

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Funding for the Academy Trust's educational operations (continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy furloughed some of its extended provision staff, under the government's CJRS. The funding received of £5,048 relates to staff costs in respect of staff which are included within note 11 below as appropriate.

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 (as restated) £
Hire of facilities	8,777	8,777	22,767
Extended schools	107,120	107,120	176,226
Sports activities	70,675	70,675	72,173
Music fees	22,610	22,610	39,629
Other income	58,163	58,163	73,535
Nursery income	9,794	9,794	26,716
	<u>277,139</u>	<u>277,139</u>	<u>411,046</u>
<i>Total 2019</i>	<u>411,046</u>	<u>411,046</u>	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	7,533	7,533	8,277
	<u>8,277</u>	<u>8,277</u>	
<i>Total 2019</i>	<u>8,277</u>	<u>8,277</u>	

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 (as restated) £</i>
Educational Operations:					
Direct costs	13,748,937	-	1,064,803	14,813,740	13,994,789
Allocated support costs	3,092,335	2,466,602	935,871	6,494,808	6,755,843
Total 2020	<u>16,841,272</u>	<u>2,466,602</u>	<u>2,000,674</u>	<u>21,308,548</u>	<u>20,750,632</u>
<i>Total 2019 (as restated)</i>	<u>15,926,836</u>	<u>2,518,129</u>	<u>2,305,667</u>	<u>20,750,632</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 (as restated) £</i>
Educational Operations	<u>14,813,740</u>	<u>6,494,808</u>	<u>21,308,548</u>	<u>20,750,632</u>
<i>Total 2019</i>	<u>13,994,789</u>	<u>6,755,843</u>	<u>20,750,632</u>	

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2020 £	Total funds 2020 £	Total funds 2019 £
Net pension finance charge	162,000	162,000	170,000
Staff costs	3,092,335	3,092,335	3,065,550
Depreciation	1,321,633	1,321,633	1,137,087
Print postage and stationery	35,797	35,797	51,740
Telephone	24,963	24,963	22,451
Subscriptions	16,504	16,504	45,498
Technology costs	138,906	138,906	78,395
Governance	24,650	24,650	29,500
Recruitment Costs	41,075	41,075	74,946
Premises costs	276,878	276,878	526,018
Cleaning	378,320	378,320	377,915
Professional fees	222,172	222,172	291,441
Rent and rates	134,586	134,586	119,491
Energy costs	263,694	263,694	237,052
Insurance	67,958	67,958	73,042
Security and transport	23,533	23,533	47,525
Catering	257,670	257,670	365,782
Bank interest and charges	960	960	261
Other support costs	724	724	42,149
Legal costs - conversion	-	-	-
Legal costs - other	10,450	10,450	-
	<u>6,494,808</u>	<u>6,494,808</u>	<u>6,755,843</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	38,355	34,082
Depreciation of tangible fixed assets	1,321,633	1,454,087
Fees paid to auditors for:		
- audit	24,000	29,450
- other services	650	1,500
	<u>1,345,638</u>	<u>1,515,019</u>

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	12,278,754	12,077,601
Social security costs	1,163,958	1,144,441
Pension costs	3,313,084	2,648,478
	<u>16,755,796</u>	<u>15,870,520</u>
Agency staff costs	5,359	34,521
Staff restructuring costs	80,117	21,795
	<u><u>16,841,272</u></u>	<u><u>15,926,836</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	64,123	-
Severance payments	15,994	21,795
	<u><u>80,117</u></u>	<u><u>21,795</u></u>

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

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £15,994 (2019: £21,795) the payment was made in June 2020.

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff (continued)

b. Non-statutory/non-contractual staff severance payments (continued)

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	195	208
Administration and support	261	276
Management	27	21
	<u>483</u>	<u>505</u>

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	5	5
In the band £70,001 - £80,000	2	3
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	2	1
	<u>2</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £309,000 (2019 £200,000).

SOUTHEND EAST COMMUNITY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Central services

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

- CEO, CFO, FD, HR Manager, ICT 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.
- Establishing a central human resources and finance function
- Managing capital projects and assessing priorities for allocation of funds from the School Condition Allocation.

The academy charges for these services on the following basis:

To fund these costs, the Trust retained 4.5% of each academy's School Budget Share from the ESFA General Annual Grant funding and 4.5% of formula funding for post 16.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Shoeburyness High School	414,203	218,268
Bournes Green Infant School	33,247	10,968
Hinguar Community Primary School	39,935	19,746
Thorpedene Primary School	103,650	39,776
Bournes Green Junior School	44,797	34,846
Richmond Avenue Primary & Nursery School	75,784	37,815
Total	711,616	361,419

As part of the centralisation of the finance function and to protect historic reserves in addition to the above the Trust transferred surplus unrestricted funds from the constituent Academies to the central reserves totalling £Nil (2019: £2,002,496).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Trustees' remuneration and expenses

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

		2020	2019
		£	£
Mrs R Brock, Chief Executive Officer	Remuneration	95,000 -	90,000 -
		100,000	95,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

14. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2019	6,620,891	35,303,654	1,247,620	1,301,437	61,809	44,535,411
Additions	286,685	1,118,669	45,259	187,841	-	1,638,454
At 31 August 2020	<u>6,907,576</u>	<u>36,422,323</u>	<u>1,292,879</u>	<u>1,489,278</u>	<u>61,809</u>	<u>46,173,865</u>
Depreciation						
At 1 September 2019	477,684	3,870,393	477,247	979,047	33,348	5,837,719
Charge for the year	169,413	843,383	196,087	106,818	5,932	1,321,633
At 31 August 2020	<u>647,097</u>	<u>4,713,776</u>	<u>673,334</u>	<u>1,085,865</u>	<u>39,280</u>	<u>7,159,352</u>
Net book value						
At 31 August 2020	<u>6,260,479</u>	<u>31,708,547</u>	<u>619,545</u>	<u>403,413</u>	<u>22,529</u>	<u>39,014,513</u>
At 31 August 2019	<u>6,143,207</u>	<u>31,433,261</u>	<u>770,373</u>	<u>322,390</u>	<u>28,461</u>	<u>38,697,692</u>

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	18,747	10,746
Other debtors	54,850	157,496
Prepayments and accrued income	441,632	259,468
	<u>515,229</u>	<u>427,710</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	138,308	-
Other creditors	1,665,074	1,341,521
Accruals and deferred income	761,533	838,720
	<u>2,564,915</u>	<u>2,180,241</u>
	2020 £	2019 £
Deferred income at 1 September 2019	222,185	194,091
Resources deferred during the year	136,558	222,185
Amounts released from previous periods	(222,185)	(194,091)
	<u>136,558</u>	<u>222,185</u>

At the balance sheet date the Trust was holding funds received in advance of entitlement for;

	2020 £	2019 £
Universal Infant Free School Meals	£122,675	£116,839
School Games Organiser Funding	£13,883	£13,883
Rates relief	£Nil	£27,048
Music, lettings, clubs and trips income	£Nil	£64,415

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Prior year adjustments

The Trustees have amended the tangible fixed assets depreciation policy this year to closer reflect the consumption of the economic benefits of these assets over time. As required under the applicable financial reporting standards the comparative and opening funds have been restated to reflect this change. The financial impact of this restatement is outlined below:

BALANCE SHEET EXTRACTS AS AT 31 AUGUST 2019

	2019 (Restated) £	2019 (Originally Stated) £
Fixed Assets		
Tangible assets	38,697,692	36,816,505
Funds of the Academy Trust		
Restricted fixed asset funds	39,443,103	37,561,916

STATEMENT OF FINANCIAL ACTIVITIES EXTRACTS FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Expenditure on:				
Charitable activities (restated)	114,022	19,499,523	1,137,087	20,750,632
Net income/(expenditure) (restated)	907,440	(1,528,500)	908,132	287,072
Charitable activities (originally stated)	114,022	19,499,523	1,454,087	21,067,632
Net income/(expenditure) (originally stated)	905,085	(1,528,500)	591,132	(32,283)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds

	As restated Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Shoeburyness High School	630,767	358,303	(75,880)	-	-	913,190
Bournes Green Infant School	46,711	45,676	(1,387)	(466)	-	90,534
Bournes Green Junior School	66,511	(64)	(17,605)	(12,021)	-	36,821
Hinguar Primary School	4,718	66,056	(3,098)	-	-	67,676
Richmond Avenue Primary and Nursery School	36,536	21,321	(4,073)	(14,065)	-	39,719
Thorpedene Primary School	164,617	64,354	(2,333)	-	-	226,638
Central funds	2,026,391	6,784	(1,607)	(206,694)	-	1,824,874
	<u>2,976,251</u>	<u>562,430</u>	<u>(105,983)</u>	<u>(233,246)</u>	<u>-</u>	<u>3,199,452</u>
Restricted general funds						
General Annual Grant (GAG)	187,276	15,810,989	(15,026,657)	(798,262)	-	173,346
Other DfE/ESFA grants	160,390	2,318,277	(2,257,567)	-	-	221,100
Local Authority grants	-	807,701	(807,701)	-	-	-
Other grants	-	31,701	(31,701)	-	-	-
Donations	23,785	16,654	(17,306)	-	-	23,133
Pension reserve	(8,925,000)	-	(1,740,000)	898,000	(860,000)	(10,627,000)
	<u>(8,553,549)</u>	<u>18,985,322</u>	<u>(19,880,932)</u>	<u>99,738</u>	<u>(860,000)</u>	<u>(10,209,421)</u>

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19. Statement of funds (continued)

	As restated Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
General Restricted Fixed Asset Funds	38,697,689	-	(1,321,633)	1,586,621	-	38,962,677
ESFA capital grants	635,106	773,965	-	(1,033,481)	-	375,590
Local Authority capital grants	110,308	298,513	-	(408,821)	-	-
Other capital grants	-	12,045	-	(10,811)	-	1,234
Donated equipment	-	51,840	-	-	-	51,840
	<u>39,443,103</u>	<u>1,136,363</u>	<u>(1,321,633)</u>	<u>133,508</u>	<u>-</u>	<u>39,391,341</u>
Total Restricted funds	<u>30,889,554</u>	<u>20,121,685</u>	<u>(21,202,565)</u>	<u>233,246</u>	<u>(860,000)</u>	<u>29,181,920</u>
Total funds	<u>33,865,805</u>	<u>20,684,115</u>	<u>(21,308,548)</u>	<u>-</u>	<u>(860,000)</u>	<u>32,381,372</u>

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

Restricted general funds and other restricted funds

These all relate to restricted government grants the application of which is limited to the conditions imposed by the respective funding agreements.

Transfers include employer contributions against the pension deficit and revenue contributions to capital expenditure.

Restricted fixed asset funds

The balance of this fund represents the net book value of the Trust's tangible fixed assets plus any unspent capital grant funding.

Transfers represent revenue contributions to capital and the investment of grant and other funding into assets.

Pension reserve

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension Scheme.

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19. Statement of funds (continued)

Unrestricted funds

Unrestricted general funds can be used to fulfil any of the Trust's charitable objects.

Transfers represent unrestricted funding used to finance restricted funding deficits.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Shoeburyness high School	1,077,890	723,878
Bournes Green Infant School	98,339	49,784
Bournes Green Junior School	57,981	69,812
Hinguar Community Primary School	97,213	12,638
Richmond Avenue Priamary and Nursery School	66,974	62,056
Thorpedene Primary School	393,765	403,149
Central services	1,824,869	2,026,385
Total before fixed asset funds and pension reserve	3,617,031	3,347,702
Restricted fixed asset fund	39,391,341	39,443,103
Pension reserve	(10,627,000)	(8,925,000)
Total	32,381,372	33,865,805

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Shoeburyness high School	7,724,979	1,358,117	396,868	1,184,929	10,664,893	10,567,561
Bournes Green Infant School	632,073	95,550	49,887	141,553	919,063	974,909
Bournes Green Junior School	851,704	128,323	63,751	105,812	1,149,590	1,176,359
Hinguar Community Primary School	829,563	143,270	38,597	152,575	1,164,005	1,283,197
Richmond Avenue Primary and Nursery School	1,601,500	299,882	110,986	178,588	2,190,956	2,247,752
Thorpedene Primary School	2,065,031	384,842	162,809	319,810	2,932,492	2,970,235
Central services	44,087	682,351	7,624	231,854	965,916	393,532
Academy Trust	13,748,937	3,092,335	830,522	2,315,121	19,986,915	19,613,545

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19. Statement of funds (continued)

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

	<i>As restated Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>As restated Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 August 2019 £</i>
Unrestricted funds						
Shoeburyness High School	2,131,639	524,232	(111,317)	(1,913,787)	-	630,767
Bournes Green Infant School	245,648	73,242	-	(272,179)	-	46,711
Bournes Green Junior School	165,572	79,481	(104)	(178,438)	-	66,511
Hinguar Primary School	4,161	122,394	(271)	(121,566)	-	4,718
Richmond Avenue Primary and Nursery School	197,648	89,444	(348)	(250,208)	-	36,536
Thorpedene Primary School	494,070	128,429	(393)	(457,489)	-	164,617
Central funds	59,874	1,885	(1,589)	1,966,221	-	2,026,391
	<u>3,298,612</u>	<u>1,019,107</u>	<u>(114,022)</u>	<u>(1,227,446)</u>	<u>-</u>	<u>2,976,251</u>
Restricted general funds						
General Annual Grant (GAG)	117,692	15,616,395	(15,421,031)	(125,780)	-	187,276
Other DfE/ESFA grants	186,503	1,632,865	(1,713,436)	54,458	-	160,390
Local Authority grants	49,490	642,801	(692,291)	-	-	-
Other grants	-	23,800	(23,800)	-	-	-
Donations	1,588	55,162	(32,965)	-	-	23,785
Pension reserve	(6,787,000)	-	(1,616,000)	792,000	(1,314,000)	(8,925,000)
	<u>(6,431,727)</u>	<u>17,971,023</u>	<u>(19,499,523)</u>	<u>720,678</u>	<u>(1,314,000)</u>	<u>(8,553,549)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	<i>As restated Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>As restated Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 August 2019 £</i>
Restricted fixed asset funds						
General Restricted Fixed Asset Funds	38,015,821	-	(1,137,087)	1,818,955	-	38,697,689
ESFA capital grants	12,382	1,232,430	-	(609,706)	-	635,106
Local Authority capital grants	-	805,289	-	(694,981)	-	110,308
Other capital grants	-	7,500	-	(7,500)	-	-
	<u>38,028,203</u>	<u>2,045,219</u>	<u>(1,137,087)</u>	<u>506,768</u>	<u>-</u>	<u>39,443,103</u>
Total Restricted funds	<u>31,596,476</u>	<u>20,016,242</u>	<u>(20,636,610)</u>	<u>1,227,446</u>	<u>(1,314,000)</u>	<u>30,889,554</u>
Total funds	<u>34,895,088</u>	<u>21,035,349</u>	<u>(20,750,632)</u>	<u>-</u>	<u>(1,314,000)</u>	<u>33,865,805</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	39,014,513	39,014,513
Current assets	3,225,308	2,513,014	820,451	6,558,773
Creditors due within one year	(25,856)	(2,095,435)	(443,623)	(2,564,914)
Provisions for liabilities and charges	-	(10,627,000)	-	(10,627,000)
Total	<u>3,199,452</u>	<u>(10,209,421)</u>	<u>39,391,341</u>	<u>32,381,372</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>As restated Restricted fixed asset funds 2019 £</i>	<i>As restated Total funds 2019 £</i>
Tangible fixed assets	-	-	38,697,692	38,697,692
Current assets	2,997,162	2,155,714	1,120,478	6,273,354
Creditors due within one year	(20,911)	(1,784,263)	(375,067)	(2,180,241)
Provisions for liabilities and charges	-	(8,925,000)	-	(8,925,000)
Prior year adjustment	-	-	(1,881,187)	(1,881,187)
Total as originally stated	2,976,251	(8,553,549)	37,561,916	31,984,618

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	(624,433)	287,072
Adjustments for:		
Depreciation (as restated)	1,321,633	1,137,087
Capital grants from DfE and other capital income	(957,298)	(2,045,219)
Interest receivable	(7,533)	(8,277)
Defined benefit pension scheme cost less contributions payable	842,000	824,000
(Increase)/decrease in debtors	(87,519)	250,836
Increase in creditors	316,118	65,627
Loss on sale of fixed assets (as restated)	-	-
Net cash provided by operating activities	802,968	511,126

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22. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	7,533	8,277
Purchase of tangible fixed assets	(1,569,898)	(1,561,966)
Capital funding received from sponsors and others	957,298	2,045,219
Net cash (used in)/provided by investing activities	(605,067)	491,530

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	6,043,545	5,845,644
Total cash and cash equivalents	6,043,545	5,845,644

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	5,845,644	197,901	6,043,545
	5,845,644	197,901	6,043,545

25. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition and improvement of tangible fixed assets	-	356,372

26. Pension commitments

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

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £1,751,000 (2019 - £1,203,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,110,000 (2019 - £991,000), of which employer's contributions totalled £898,000 (2019 - £792,000) and employees' contributions totalled £ 199,000 (2019 - £192,000). The agreed contribution rates for future years are 23 to 25 per cent for employers and 5.5 to 8.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

	2020	2019
	%	%
Rate of increase in salaries	3.28	3.68
Rate of increase for pensions in payment/inflation	2.28	2.18
Discount rate for scheme liabilities	1.61	1.88
Inflation assumption (CPI)	2.28	2.18
Commutation of pensions to lump sums	50	50
RPI increases	3.08	3.18

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.8	21.3
Females	23.8	23.6
<i>Retiring in 20 years</i>		
Males	23.2	23
Females	25.2	25.4

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	18,530	15,889
Discount rate -0.1%	19,454	16,677
Mortality assumption - 1 year increase	19,678	16,910
Mortality assumption - 1 year decrease	18,319	15,670
CPI rate +0.1%	19,035	16,323
CPI rate -0.1%	18,938	16,233

Share of scheme assets

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

	2020 £	2019 £
Equities	5,178,000	4,635,000
Gilts	357,000	404,000
Bonds	468,000	413,000
Property	650,000	589,000
Alternative assets	227,000	720,000
Cash	972,000	214,000
Other funds	507,000	378,000
Total market value of assets	8,359,000	7,353,000

The actual return on scheme assets was £206,000 (2019 - £530,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	2019 £
Current service cost	(1,506,000)	(1,267,000)
Past service cost	(68,000)	(178,000)
Interest income	147,000	169,000
Interest cost	(309,000)	(339,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	(7,000)
Administrative expenses	(4,000)	(1,000)
Total amount recognised in the Statement of financial activities	(1,740,000)	(1,623,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	16,278,000	12,712,000
Current service cost	1,506,000	1,267,000
Interest cost	309,000	339,000
Employee contributions	212,000	199,000
Actuarial losses	922,000	1,675,000
Benefits paid	(309,000)	(102,000)
Past service costs	68,000	178,000
Effects of non-routine settlements	-	10,000
At 31 August	18,986,000	16,278,000

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

	2020 £	2019 £
At 1 September	7,353,000	5,925,000
Interest income	147,000	169,000
Actuarial gains	182,000	361,000
Employer contributions	898,000	792,000
Employee contributions	212,000	199,000
Benefits paid	(309,000)	(102,000)
Effects of non-routine settlements	-	10,000
Admin expenses	(4,000)	(1,000)
Other Actuarial gain / (loss)	(120,000)	-
At 31 August	8,359,000	7,353,000

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

An allowance was made in 2019 for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 was allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2020.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary. The Actuary's assessment is based on analysis carried out by the Government Actuary's Department (GAD) and the Trust's liability profile.

The GAD assessment is based on a "worst-case" scenario whereby this case impacts on all active members in the scheme as at 31 March 2019. It is the view of the Trustees and their actuary that this is not a realistic estimate. The actuary has therefore adjusted their estimate to only include members who were active at 31 March 2012.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

It is anticipated that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase.

For members that reach SPA after this date, it is assumed that the Fund will be required to pay the entire inflationary increase. It is not therefore necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Goodwin case

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

It is anticipated that the impact on the value of LGPS liabilities as a whole, and for the majority of employers participating in the LGPS, will not be material. However, the impact on individual employers will vary depending on their specific membership profile.

Sufficient information is not currently available to assess the actual impact on the Academy Trust but as the worst case scenario for the scheme as whole is expected to be in the region of be 0.025% no provision has been included within these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
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27. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	19,075	33,755
Later than 1 year and not later than 5 years	2,550	33,087
	<u>21,625</u>	<u>66,842</u>

28. Members' liability

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

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NOTES TO THE FINANCIAL STATEMENTS
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29. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

D Brock - Child of R Brock

For the year ending 31 August 2020 the Trust procured services from D Brock totalling £475 (2019: £nil)

There were no amounts outstanding at the year end.

The academy trust made the purchase at arms' length following its normal procurement practices in accordance with its financial regulations, which R Brock neither participated in, nor influenced.

The ESFA was notified retrospectively of this transaction. In entering into the transaction, the academy trust has complied with all other requirements of the Academies Financial Handbook

K Scanes - Spouse of A Scanes who is deemed to have significant influence in the Trust following R Knight's resignation.

K Scanes received remuneration during the period whilst A Scanes was deemed to hold significant influence over the Trust of £14,051 (2019: £17,613) and employers pension contributions of £3,232 (2019: £3,981) in respect of their employment with the Trust. A Scanes neither participated nor influenced any decisions relating to K Scanes' pay and conditions.

R Collis - Child of J Collis who was deemed to have significant influence over the Trust.

R Collis received remuneration of £nil (2019: £67) in respect of their employment with the Trust. J Collis neither participated nor influenced any decisions relating to R Collis' pay and conditions.

L Melville - Spouse of P Melville

L Melville received remuneration of £18,277 (2019: £15,762) and employers pension contributions of £4,279 (2019: £2,598) in respect of their employment with the Trust. P Melville neither participated nor influenced any decisions relating to L Melville's pay and conditions.

30. Controlling party

There is no ultimate controlling party.