

Registrar's Copy

Company Registration Number: 07825856 (England and Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

THURSDAY



A7WVF6YX

A07

10/01/2019

#250

COMPANIES HOUSE

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

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 10
Governance statement	11 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 20
Independent reporting accountant's assurance report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24
Statement of cash flows	25
Notes to the financial statements	26 - 52

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	Mr R Knight Mr A Scanes Mr D Andrews Ms C Carswell Rev J Collis
Trustees	Mr R Knight, Chairman (until 4 December 2017) Mr M Schofield, Chief Executive Officer (resigned 31 August 2018) Mr M Sweeting, Vice Chairman (appointed chair 4 December 2017) Mr S Goodall Ms C Gostling (resigned 4 December 2017) Mr D Parker (resigned 8 December 2017) Mr P Melville Mrs P Dewey Mr M House (resigned 6 December 2018) Mr G Lane Mr B Sandford (appointed 2 October 2017) Mr G Reeder (appointed 2 October 2017) Mrs R Brock, Chief Executive Officer (appointed 1 September 2018) Mrs M Palles-Clark (appointed 8 November 2018) Mrs S Rollason (appointed 8 November 2018)
Company registered number	07825856
Company name	Southend East Community Academy Trust
Principal and registered office	SECAT House Delaware Road Shoeburyness Essex SS3 9NP
Company secretary	Mrs K Hodgson
Chief executive officer	Mrs R Brock
Senior management team	Mr M Schofield, Chief Executive Officer (resigned 31 August 2018) Mrs R Brock, Chief Executive Officer (appointed 1 September 2018) Mrs K Hodgson, Chief Financial Officer Mrs W Walden, MAT Business Manager
Independent auditors	MWS Chartered Accountants Kingsridge House 601 London Road Westcliff on sea Essex SS0 9PE
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 2018

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 2018. 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 3384 in the 2018 census.

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 December 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 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 Finance Committee. Throughout this report the Board of Trustees is referred to as the Main Governing Body (MGB). Each Academy has appointed Local Governing Bodies (LGB) who has 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 LGB.

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' AND OFFICERS' INDEMNITIES

The academy trust has opted into the Department for 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.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

~~(A company limited by guarantee)~~

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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 seven Trustees, the Chief Executive Officer is appointed by the Trust Board. The Trustees have appointed four co-opted Trustees making a total of twelve Trustees. During the reporting period two Trustees resigned, thus at the end of the reporting period the Trust Board consisted of ten 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 AND PROCEDURES 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 so as to enable them to perform their role effectively. Trustees and Governors are required to attend induction training and regular ongoing training. To this end the Trust has links with training providers such as the Governance Support Team at the Local Authority, the National Governance Association and in-house training is provided where necessary. New 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 Finance and Audit meet at least three times per year. As the Trust moves into its third 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.

The Governors within their LGB's are delegated responsibility for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits. LGBs 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 LGB's to control the individual , implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

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

The Trust's CEO is the Accounting Officer.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

g. PAY POLICY FOR 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 and ratified by the relevant local governing body. The pay and remuneration of the CEO is determined by the Trust Board following an external review, put in place from September 2018.

h. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	4
Full-time equivalent employee number	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	749
Total pay bill	15,570,294
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	- %
---	-----

SECAT recognises the legal requirement for employers to allow reasonable time off work for the relevant Academy's elected representatives of recognised trade unions to carry out their duties. Duties that warrant time off with pay include:

- consultation on terms and conditions of employment or the physical conditions of work;
- consultation on recruitment and selection policies, redundancy and dismissal arrangements;
- meetings with Academy management or LEA officers on matters of joint concern;
- representing a union member at grievance, capability or disciplinary interview;
- attendance at relevant training courses organised by the trade union.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

The Trust does not have a formal sponsor

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 3 and 19.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

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

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

Our success in fulfilling our aims can be measured by:

- Early Years 'Good Level of Development' outcomes being at least in line with the national average in all of the 4 eligible schools
- KS1 Reading, Writing and Mathematics being above the national average in 2 of the 4 eligible schools
- KS2 Reading, Writing and Mathematics being in line or above the national average in all 4 eligible schools
- KS4 English and Science were above the NA 9-4; Mathematics was below the NA 9-4; and Science GCSE's above the national average in GCSE attainment
- Better than national progress in KS2 in Reading, Writing and Mathematics
- KS5 Number of students entering university continues to increase, as does the proportion of students achieving grades similar to their predicted targets

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

c. PUBLIC BENEFIT

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

Strategic report

a. ACHIEVEMENTS AND PERFORMANCE

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.

Specific achievements were as follows in July 2018:

1. TPS – results were very positive in almost all areas KS2 (Key Stage 2) in line or above NA (National Average);
 - KS1 (Key Stage 1) below in Reading and Writing and above in Mathematics;
 - KS (key stage)– priorities - all groups of pupils make expected progress and achieve in line with NA for the end of each year group – so we can use the end of KS2 as a bench mark.
 - Analysis shows discrepancy between girls/boys;
 - SEND; PP (pupil premium) versus NA; Greater Depth (GD)
2. RPS – results were positive except for end of KS1 in Reading and Writing – way below NA and down on 2017.
 - Priorities – KS1 reading and writing attainment;
 - progress across the school for PP and attainment reading, writing and maths in Year 2; English in Year 6
3. SHS – results were positive –
 - attainment 8 up to 2 points and just below 2017 NA;
 - Progress 8 up with all groups progressing especially HA (higher attainers);
 - 63% GCSEs 9 – 4 up by 2%;
 - 9 – 5 up 4%; 9 – 7 up 9%
 - Progress 8 up across the board in all buckets
 - KS5 up by 10% overall A* - C;
 - average grade C- up from D+;
 - academic value -0.14 up from -0.33;
 - general value - +0.35 from -0.35;
 - average grade Merit+ down from Distinction- LA (lower attainers) group though;
 - overall pass rate A*-E 98 - 1%
 - Priorities – history down from 56% - 48% - HA; LAC (Looked After Children) impacting on Progress 8 across the school; improve maths progress; increase grades 9-7; achieve positive progress at academic; 96% attendance
4. BGI – results were up in GLD (Good Level of Development) to 85% above NA;
 - up in phonics - 93% and above NA;
 - up in expected standard at KS1 from 2017 in maths and writing, and down slightly in reading;
 - Greater Depth (GD) down in all areas.
 - Priorities: GD in all areas; gender gap in school between boys and girls in reading and writing in Y2; PP and SEN significant gaps in progress when compared with others from starting points.
5. BGJ – results were up on NA in reading, maths and writing in expected and GD
 - Priorities – progress from KS1 for all groups of pupils especially in reading and SEND

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

6. HPS – results were up on NA in EYFS (Early Years) but a slight decrease in GLD this year – largely due to boys;
- up in phonics and above NA;
 - KS1 above NA in all and combined;
 - KS2 above NA in all areas for expected and GD;
 - Priorities – writing at all levels of expectations; MA (middle attainers) against PAG (prior attainment group); boys' achievement; DA (disadvantaged) pupils' progress

b. KEY PERFORMANCE INDICATORS

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

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2018 were 3354 against a forecast of 3384 (capacity).

Another key financial performance indicator is staffing costs as a percentage of total income. For 2017/18 this was 68.0% (excluding capital grants 81.9%) against set parameters of 70%.

The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the MGB.

The Finance Committee also monitors premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the MGB overall if not in each, individual Academy.

c. GOING CONCERN

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

Financial review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2018 the Trust received £17,295,822 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 £19,010,685 on revenue expenditure and transferred £312,267 to support capital new build and improvement projects on the various academy sites. The Trust brought forward from 16/17, £137,958 restricted funds and £3,039,882 unrestricted funding. The carry forward for 17/18 is £355,274 restricted funding and £3,298,608 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a pension fund deficit of £6,787,000, which is less 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.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

a. RESERVES POLICY

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via reports to the Finance Committee from the 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 £3,298,608. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trustees are aware that funds have been allocated for future capital projects, and funds are retained for future increases in costs and expenditure that may arise from uninsurable losses. The cash balance indicated includes creditor payments due and salaries across the Trust for August 2018. The Trust holds £308,618 for in year contingencies and always plans to have a carry forward of between 5% and 10% 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 2018 was £3,653,882.

The cash balance of the Trust has been healthy for the majority of the year, ending the year with a balance of £4,842,988. 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 Finance Committee and monitor budget performance to ensure sustainability.

b. INVESTMENTS 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.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Trust works with the LGB's in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB via the Audit Committee and the Finance Committee with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Audit Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

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.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

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;
- 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 - The Audit Committee carry out independent and external checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

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

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 students. 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:

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

There is particular focus on the following for 2018/19:

- To develop the work of the multi-academy trust central team in particular in relation to management of finance, HR, resources.
- To develop accountability for the schools' outcomes through scrutiny in monthly professional dialogues with the new 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 in leadership, teaching and learning and curriculum through curriculum strategy groups (CSG's), learning walks and training.
- To transform the support across the MAT for pupils to include, but not exclusively, 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.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

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 carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy 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's Equal opportunities policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

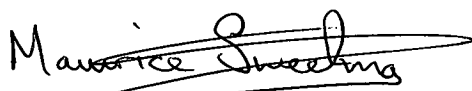
Full details of these policies are available from the academy's offices.

DISCLOSURE OF INFORMATION TO AUDITORS

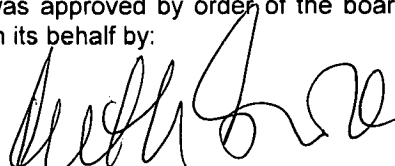
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's 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 17 December 2018 and signed on its behalf by:



Mr M Sweeting
Chair of Trustees



Mrs R Brock, Chief Executive Officer
Trustee

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Southend East Community Academy Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the board of trustees 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 9 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Knight	9	9
Mr M Schofield	8	8
Mr M Sweeting	9	9
Mr S Goodall	8	9
Ms C Gostling	1	2
Mr D Parker	2	2
Mr P Melville	6	9
Mrs P Dewey	8	9
Mr M House	7	9
Mr G Lane	8	9
Mr B Sandford	8	9
Mr G Reeder	8	9
Mrs R Brock	0	0
Mrs M Palles-Clark	0	0
Mrs S Rollason	0	0

The Board composition changed during the course of the year, with two Trustees resigning leaving two vacancies (which were Member appointments). A decision was made that a skills audit would take place in September 2018 when the new CEO arrived, so that appropriate skills gaps could be identified and appropriately appointed to.

The Finance 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 schools' budget expenditure, policies and reporting, assess risks and put forward proposals to the Trust Board to mitigate and manage risk.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Knight	3	3
Mr M Schofield	3	3
Mr P Melville	1	3
Mrs P Dewey	2	3
Mr M House	3	3
Mr G Lane	3	3
Mr G Reeder	1	1

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Audit Committee is also a sub committee of the main board of trustees. Its purpose is to carry out those functions related to ensuring schools adhere to financial regulations and comply with those with the Academies Financial Handbook.

Internal control checks have now been undertaken and a comprehensive understanding of each school's position has been gained and a follow-up action plan is now in place.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Sweeting	4	4
Mr S Goodall	4	4
Ms C Gostling	0	1
Mr D Parker	1	1
Mr B Sandford	4	4
Mr G Reeder	2	2

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 academy'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 academy has delivered improved value for money during the year by:

Accepting responsibility and being accountable for ensuring that the academy trust delivers good value in the use of public resources.

Being aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Set out below is how the Accounting Officer has ensured that the academy trust's use of its resources has provided good value for money during the academic year.

Educational Outcomes

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

- Ensuring improved results for students across the Trust from KS1 – KS4: for example across the Trust, results at KS1, KS2 and KS4 in all schools are above National expectations.
- Supporting and challenging the schools in the Trust to ensure that student outcomes remain at the heart of everything we do: for example, reviewing KS3 curriculum to begin GCSE work at an earlier stage
- Sharing best practice across the Key stages: for example, specialist teachers visiting the primary schools within the Trust in core subjects including Mathematics, English, Modern Foreign Languages and Science to support teaching and learning. Learning walks have been completed across the trust and a numeracy strategy group has been set up. One of the Trust schools 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.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Business Planning

The Trust holds half termly meetings with the Bursars/Business Managers 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.
- Negotiation of Contracts: for example, centralising contracts across the Trust, in particular those held with the Local Authority resulting in cost savings for all academies: for example, HR additional hours reduced by 46%, Payroll provision reduced by 11% per payslip, Free School Meals checking service used by the majority of the schools in the Trust reduced by 18% per check.
- Shared Training: For example, Ladder training provided across the Trust saving over £3,000 as the schools training completed at a single venue.
- Maintenance support offered across the trust with one individual school savings approximately £8,000
- The Trust has a clear scheme of delegation and authorisation approved by the Board and this was followed throughout the year.
- MAT website launched in November and updated in house meaning central storage of Trust wide policies saving time for individual schools. Excellent value for money gained as site 'added on' to Secondary school revamp saving over £6,000.

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 Finance 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 cleaning contract for some members of the Trust to benefit from economies of scale
- MAT account now registered for BACS payments allowing VAT returns to be completed through the central MAT rather than one of the academies.
- 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 has led to opportunities for expertise to be shared across the Trust with regards to maintenance, personnel, finance and administration as well as teaching and learning.
- Collaborative Working & Learning: For example the bursars/business managers work closely together.

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements

CAPACITY TO HANDLE RISK

With the information that has been presented and received, the board of trustees has reviewed the key risks to which the academy 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 has been a consistently effective, formal ongoing process for identifying, evaluating and managing the academy's significant risks throughout for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. However, this has been improved from September 1 2018 on the appointment of the new CEO.

THE RISK AND CONTROL FRAMEWORK

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

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

The internal checks include giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

a rolling programme across the six schools including all necessary financial 'must' checks, identifying any gaps and providing a written report to the LGBs and Trust. A further check is then carried out to ensure that any actions have been completed. Internal checks on petty cash and school fund are being carried out in the autumn term 2018.

On a quarterly basis, the checks are reported 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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

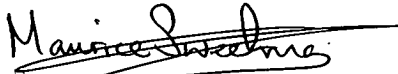
REVIEW OF EFFECTIVENESS

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:

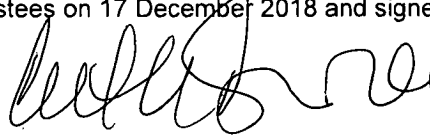
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self assessment process;
- the work of the senior leaders within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 17 December 2018 and signed on their behalf, by:



Mr M Sweeting
Chair of Trustees



Mrs R Brock
Accounting Officer

SOUTHEND EAST COMMUNITY ACADEMY TRUST

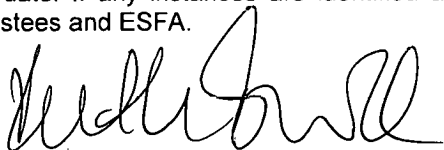
(A company limited by guarantee)

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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Mrs R Brock
Accounting Officer

Date: 17 December 2018

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

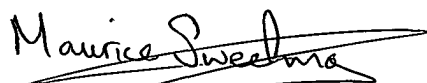
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 17 December 2018 and signed on its behalf by:



Mr M Sweeting
Chair of Trustees

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

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

OPINION

We have audited the financial statements of Southend East Community Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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 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's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

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

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

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 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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'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 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.

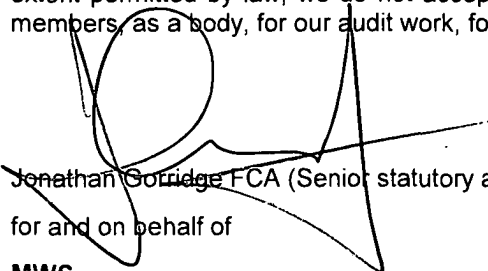
SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

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

USE OF OUR REPORT

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



Jonathan Gorridge FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants

Kingsridge House

601 London Road

Westcliff on sea

Essex

SS0 9PE

19 December 2018

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 7 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southend East Community Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Southend East Community Academy Trust's funding agreement with the Secretary of State for Education dated 11 July 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

Based upon our risk assessment of material non-compliance, we carried out detailed testing of the specific income streams from the ESFA, and the related expenditure streams, to which specific conditions had been attached.

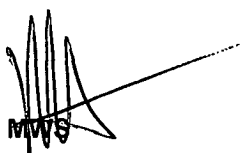
SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SOUTHEND EAST COMMUNITY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

We evaluated the control environment of the Academy Trust, extending the procedures required for the financial statements to include regularity. We tested a sample of the specific control activities over regularity of particular activities. We confirmed that the Academy Trust had not entered into any borrowing arrangements. We carried out substantive testing of fixed assets to confirm that no sales of any assets had taken place. We reviewed cash payments made by the school for any unusual transactions and verified the nature of said transactions. We reviewed the list of suppliers to consider whether any supplies were made by related parties connected to the Accounting Officer, Finance Manager or any Trustee. We reviewed the nature and terms of any lettings to ensure that any lettings made to any related parties were made at the normal third party rates and not on any favourable terms.

CONCLUSION

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

A handwritten signature in black ink, consisting of several vertical strokes followed by a horizontal line and a diagonal stroke, with the letters 'MWS' written below it.

Chartered Accountants

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

19 December 2018

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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Assets received on conversion	2	(130,150)	-	(42,530)	(172,680)	18,281,761
Other donations and capital grants	2	283,518	17,584	3,940,942	4,242,044	499,832
Charitable activities	3	332,366	18,086,387	-	18,418,753	15,522,335
Other trading activities	4	415,322	-	-	415,322	596,681
Investments	5	5,658	-	-	5,658	6,403
TOTAL INCOME		906,714	18,103,971	3,898,412	22,909,097	34,907,012
EXPENDITURE ON:						
Charitable activities		127,856	18,928,520	1,436,367	20,492,743	17,368,505
TOTAL EXPENDITURE	6	127,856	18,928,520	1,436,367	20,492,743	17,368,505
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	778,858 (520,132)	(824,549) 207,865	2,462,045 312,267	2,416,354 -	17,538,507 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		258,726	(616,684)	2,774,312	2,416,354	17,538,507
Actuarial gains on defined benefit pension schemes	24	-	1,655,000	-	1,655,000	828,000
NET MOVEMENT IN FUNDS		258,726	1,038,316	2,774,312	4,071,354	18,366,507
RECONCILIATION OF FUNDS:						
Total funds brought forward		3,039,882	(7,470,042)	33,689,707	29,259,547	10,893,040
TOTAL FUNDS CARRIED FORWARD		3,298,608	(6,431,726)	36,464,019	33,330,901	29,259,547

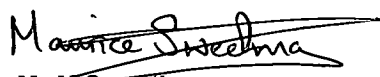
SOUTHEND EAST COMMUNITY ACADEMY TRUST

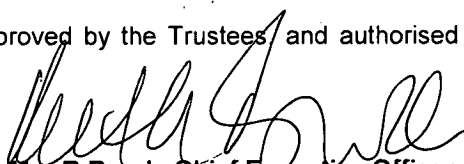
(A company limited by guarantee)
REGISTERED NUMBER: 07825856

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	2017 £
FIXED ASSETS				
Tangible assets	15		36,451,635	33,660,193
CURRENT ASSETS				
Debtors	16	678,545	1,000,047	
Cash at bank and in hand		4,842,988	3,901,140	
		<u>5,521,533</u>	<u>4,901,187</u>	
CREDITORS: amounts falling due within one year	17	(1,855,267)	(1,693,833)	
NET CURRENT ASSETS			<u>3,666,266</u>	<u>3,207,354</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>40,117,901</u>	<u>36,867,547</u>
Defined benefit pension scheme liability	24		(6,787,000)	(7,608,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>33,330,901</u></u>	<u><u>29,259,547</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	18	355,274	137,958	
Restricted fixed asset funds	18	36,464,019	33,689,707	
Restricted income funds excluding pension liability		36,819,293	33,827,665	
Pension reserve		(6,787,000)	(7,608,000)	
Total restricted income funds			<u>30,032,293</u>	<u>26,219,665</u>
Unrestricted income funds	18		<u>3,298,608</u>	<u>3,039,882</u>
TOTAL FUNDS			<u><u>33,330,901</u></u>	<u><u>29,259,547</u></u>

The financial statements on pages 23 to 52 were approved by the Trustees and authorised for issue, on 17 December 2018 and are signed on their behalf, by:


Mr M Sweeting
Chair of Trustees


Mrs R Brock, Chief Executive Officer
Trustee

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>1,269,514</u>	<u>2,030,937</u>
Cash flows from investing activities:			
Interest received		5,658	6,403
Purchase of tangible fixed assets		(4,274,266)	(473,943)
Capital funding received from sponsors and others		<u>3,940,942</u>	<u>-</u>
Net cash used in investing activities		<u>(327,666)</u>	<u>(467,540)</u>
Change in cash and cash equivalents in the year		941,848	1,563,397
Cash and cash equivalents brought forward		<u>3,901,140</u>	<u>2,337,743</u>
Cash and cash equivalents carried forward	22	<u><u>4,842,988</u></u>	<u><u>3,901,140</u></u>

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

1.2 Company status

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

1.3 Fund accounting

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

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

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

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

1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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.

1.7 Tangible fixed assets and depreciation

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

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

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

Leasehold Land	-	straight line over the life of the lease
Inherited Leasehold / Freehold buildings	-	straight line over 26 years
Leasehold / Freehold improvements	-	straight line over 35 years
Furniture and fixtures	-	10 years straight line
Motor vehicles	-	10 years straight line
Computer equipment	-	5 years straight line

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

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

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.9 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

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

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy'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.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Assets received on conversion	(130,150)	-	(42,530)	(172,680)	18,281,761
Donations	283,518	17,584	4,666	305,768	191,253
Grants	-	-	-	-	23,800
Government grants	-	-	3,936,276	3,936,276	284,779
Subtotal	283,518	17,584	3,940,942	4,242,044	499,832
	153,368	17,584	3,898,412	4,069,364	18,781,593
Total 2017	1,297,949	(2,359,781)	19,843,425	18,781,593	

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	15,723,502	15,723,502	13,437,196
Other DfE/EFA grants	-	1,572,320	1,572,320	1,293,242
	-	17,295,822	17,295,822	14,730,438
Other government grants				
Local authority grants	-	766,765	766,765	496,351
Other government grants	-	23,800	23,800	-
	-	790,565	790,565	496,351
Other funding				
Catering income	332,366	-	332,366	295,546
	332,366	-	332,366	295,546
	332,366	18,086,387	18,418,753	15,522,335
<i>Total 2017</i>	295,546	15,226,789	15,522,335	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	19,146	-	19,146	44,384
Extended schools	192,030	-	192,030	127,958
Sports activities	82,458	-	82,458	80,954
Music fees	29,239	-	29,239	27,609
Other income	73,426	-	73,426	293,546
Nursery income	19,023	-	19,023	22,230
	415,322	-	415,322	596,681
<i>Total 2017</i>	420,939	175,742	596,681	

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	5,658	-	5,658	6,403
<i>Total 2017</i>	<u>6,403</u>	<u>-</u>	<u>6,403</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations:					
Direct costs	12,846,174	-	1,036,494	13,882,668	11,724,861
Support costs	2,724,120	2,647,955	1,238,000	6,610,075	5,643,644
	<u>15,570,294</u>	<u>2,647,955</u>	<u>2,274,494</u>	<u>20,492,743</u>	<u>17,368,505</u>
<i>Total 2017</i>	<u>13,278,402</u>	<u>2,098,306</u>	<u>1,991,797</u>	<u>17,368,505</u>	

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. SUPPORT COSTS

	Educational Operations £	Total 2018 £	Total 2017 £
Net pension interest charge	188,000	188,000	145,000
Technology Costs	77,343	77,343	84,060
Recruitment costs	78,939	78,939	55,236
Premises costs	397,227	397,227	298,867
Cleaning	341,061	341,061	242,530
Professional fees	198,055	198,055	143,414
Rent and rates	116,376	116,376	106,245
Energy costs	241,510	241,510	210,261
Insurance	81,278	81,278	63,576
Security and transport	38,890	38,890	32,175
Catering	362,714	362,714	325,632
Bank interest and charges	121	121	5,232
Other support costs	194,322	194,322	211,997
Print postage and stationery	51,199	51,199	57,775
Telephone	25,138	25,138	17,304
Subscriptions	29,168	29,168	34,001
Governance	33,001	33,001	21,350
Wages and salaries	1,958,323	1,958,323	1,676,236
National insurance	135,797	135,797	119,076
Pension service cost	630,000	630,000	635,632
Depreciation	1,431,613	1,431,613	1,158,045
	<u>6,610,075</u>	<u>6,610,075</u>	<u>5,643,644</u>
<i>Total 2017</i>	<u>5,643,644</u>	<u>5,643,644</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations	<u>13,882,668</u>	<u>6,610,075</u>	<u>20,492,743</u>	<u>17,368,505</u>
<i>Total 2017</i>	<u>11,724,861</u>	<u>5,643,644</u>	<u>17,368,505</u>	

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	1,431,613	1,158,045
Auditors' remuneration - audit	21,000	12,500
Auditors' remuneration - other services	-	8,850
Operating lease rentals	33,800	35,335

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	11,890,091	10,271,588
Social security costs	1,105,406	920,601
Operating costs of defined benefit pension schemes	2,533,798	2,006,001
	<u>15,529,295</u>	<u>13,198,190</u>
Agency staff costs	25,252	80,212
Staff restructuring costs	15,747	-
	<u><u>15,570,294</u></u>	<u><u>13,278,402</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	10,110	-
Severance payments	5,637	-
	<u>15,747</u>	<u>-</u>

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

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £5,637 (2017: £nil) the payment was made on 6 December 2017.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	198	196
Administration and support	306	317
Management	19	21
	<u>523</u>	<u>534</u>

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	4	6
In the band £70,001 - £80,000	4	4
In the band £80,001 - £90,000	1	0
In the band £110,001 - £120,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these employees amounted to £122,388.

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) received by key management personnel for their services to the academy trust was £248,623 (2017: £271,672).

11. CENTRAL SERVICES

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

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

The academy charges for these services on the following basis:

To fund these costs, the Trust retained 1% of each academy's School Budget Share from the ESFA General Annual Grant funding and 1% of formula funding for post 16.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Shoeburyness High School	88,305	88,344
Bournes Green Infant School	7,428	7,335
Hinguar Community Primary School	8,667	8,694
Thorpedene Primary School	23,802	23,907
Bournes Green Junior School	9,900	-
Richmond Primary School	15,807	-
Total	153,909	128,280

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£	£
Mr M Schofield, Chief Executive			
Officer and Headteacher of	Remuneration	115,000-120,000	110,000-115,000
Shoeburyness High School	Pension contributions paid	15,000-20,000	15,000-20,000

During the year ended 31 August 2018, expenses totalling £12 (2017 - £NIL) were reimbursed to 1 Trustee.

13. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for 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.

14. OTHER FINANCE INCOME

	2018	2017
	£	£
Interest income on pension scheme assets	135,000	72,000
Interest on pension scheme liabilities	(323,000)	(217,000)
	(188,000)	(145,000)

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Furniture and fixtures £	Assets under construction £	Motor vehicles £	Computer equipment £	Total £
Cost							
At 1 September 2017	6,475,946	29,890,783	634,633	289,086	35,148	1,172,615	38,498,211
Additions	-	76,846	166,121	3,907,102	-	124,196	4,274,265
Disposals	-	-	(6,867)	-	-	(47,285)	(54,152)
Transfer between classes	17,575	-	40,185	(57,760)	-	-	-
At 31 August 2018	6,493,521	29,967,629	834,072	4,138,428	35,148	1,249,526	42,718,324
Depreciation							
At 1 September 2017	206,744	3,666,785	178,625	-	15,673	770,191	4,838,018
Charge for the year	211,222	1,044,297	72,996	-	3,165	99,933	1,431,613
On disposals	-	-	(2,942)	-	-	-	(2,942)
At 31 August 2018	417,966	4,711,082	248,679	-	18,838	870,124	6,266,689
Net book value							
At 31 August 2018	6,075,555	25,256,547	585,393	4,138,428	16,310	379,402	36,451,635
At 31 August 2017	6,269,202	26,223,998	456,008	289,086	19,475	402,424	33,660,193

16. DEBTORS

	2018 £	2017 £
Trade debtors	10,191	6,629
VAT recoverable	343,283	93,705
Prepayments and accrued income	325,071	899,713
	<u>678,545</u>	<u>1,000,047</u>

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Other creditors	1,280,246	1,262,686
Accruals and deferred income	575,021	431,147
	1,855,267	1,693,833
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	130,527	27,873
Resources deferred during the year	194,091	130,527
Amounts released from previous years	(130,527)	(27,873)
	194,091	130,527

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

Universal Infant Free School Meals	£118,019
School Games Organiser Funding	£ 13,883
Rates relief	£ 32,751
Music, lettings, clubs and trips income	£ 17,861
Local Authority grants	£ 11,577

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Shoeburyness High School	1,779,748	538,353	(108,301)	(78,161)	-	2,131,639
Bournes Green Infant School	151,242	113,961	(19,555)	-	-	245,648
Bournes Green Junior School	323,054	(38,238)	-	(119,244)	-	165,572
Hinguar Primary School	11,576	110,859	-	(118,274)	-	4,161
Richmond Avenue Primary and Nursery School	394,264	32,957	-	(229,573)	-	197,648
Thorpedene Primary School	345,967	148,103	-	-	-	494,070
Central	34,031	719	-	25,120	-	59,870
	<u>3,039,882</u>	<u>906,714</u>	<u>(127,856)</u>	<u>(520,132)</u>	<u>-</u>	<u>3,298,608</u>
Restricted funds						
General Annual Grant (GAG)	-	15,723,502	(15,076,675)	(529,135)	-	117,692
Other DfE/ESFA grants	137,958	1,572,320	(1,523,775)	-	-	186,503
Local Authority grants	-	766,765	(717,274)	-	-	49,491
Other grants	-	23,800	(23,800)	-	-	-
Donations	-	17,584	(15,996)	-	-	1,588
Pension reserve	(7,608,000)	-	(1,571,000)	737,000	1,655,000	(6,787,000)
	<u>(7,470,042)</u>	<u>18,103,971</u>	<u>(18,928,520)</u>	<u>207,865</u>	<u>1,655,000</u>	<u>(6,431,726)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	33,660,194	(42,530)	(1,436,367)	4,270,340	-	36,451,637
ESFA capital grants	23,751	81,949	-	(93,318)	-	12,382
Other capital grants	5,762	3,858,993	-	(3,864,755)	-	-
	<u>33,689,707</u>	<u>3,898,412</u>	<u>(1,436,367)</u>	<u>312,267</u>	<u>-</u>	<u>36,464,019</u>
Total restricted funds	<u>26,219,665</u>	<u>22,002,383</u>	<u>(20,364,887)</u>	<u>520,132</u>	<u>1,655,000</u>	<u>30,032,293</u>
Total of funds	<u>29,259,547</u>	<u>22,909,097</u>	<u>(20,492,743)</u>	<u>-</u>	<u>1,655,000</u>	<u>33,330,901</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

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

General Annual Grant (GAG)

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2018.

Pupil Premium

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

Special Education Needs (SEN)

This represents allocated funding for special education needs pupils.

Other DfE/ESFA Grants

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

Other Government Grants

These represent other grants from local and national Government bodies.

Education Visits

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

Other Restricted Funds

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

Pension Reserve

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

Restricted Fixed Asset Funds

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

ESFA Capital Grants

The Trust is to use the Grant allocation to maintain and improve its buildings and facilities.

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Shoeburyness High School	2,267,458	1,779,748
Bournes Green Infant School	257,581	151,242
Bournes Green Junior School	169,625	323,054
Hinguar Community Primary School	11,861	11,576
Richmond Avenue Primary and Nursery School	224,431	394,264
Thorpedene Primary School	663,056	483,925
Central services	59,870	34,031
Total before fixed asset fund and pension reserve	3,653,882	3,177,840
Restricted fixed asset fund	36,464,019	33,689,707
Pension reserve	(6,787,000)	(7,608,000)
Total	33,330,901	29,259,547

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Shoeburyness High School	6,956,547	1,416,610	288,258	1,522,939	10,184,354	10,602,573
Bournes Green Infant School	567,784	122,182	18,012	208,657	916,635	936,043
Bournes Green Junior School	842,515	138,773	101,758	161,089	1,244,135	79,816
Hinguar Primary School	798,285	221,964	76,204	173,550	1,270,003	1,297,394
Richmond Avenue Primary and Nursery School	1,521,792	317,092	98,019	272,071	2,208,974	159,536
Thorpedene Primary School	2,066,545	471,850	95,589	412,286	3,046,270	3,040,150
Central	92,707	35,649	2,000	60,405	190,761	94,949
	12,846,175	2,724,120	679,840	2,810,997	19,061,132	16,210,461

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Shoeburyness High School	1,411,526	543,225	(81,659)	(5,000)	-	1,868,092
Bournes Green Infant School	-	163,902	(5,325)	-	-	158,577
Bournes Green Junior School	-	314,164	-	8,890	-	323,054
Hinguar Primary School	-	164,932	(144,662)	-	-	20,270
Richmond Avenue Primary and Nursery School	-	349,304	44,960	-	-	394,264
Thorpedene Primary School	-	486,853	(110,924)	(6,055)	-	369,874
Central	-	700	-	(94,949)	-	(94,249)
	<u>1,411,526</u>	<u>2,023,080</u>	<u>(297,610)</u>	<u>(97,114)</u>	<u>-</u>	<u>3,039,882</u>
Restricted funds						
General Annual Grant (GAG)	-	13,437,196	(13,276,095)	(161,101)	-	-
Other DfE/ESFA grants	-	1,293,242	(1,155,284)	-	-	137,958
Local Authority grants	-	520,151	(525,151)	5,000	-	-
Other grants	-	80,954	(80,954)	-	-	-
Educational visits	26,087	100,176	(126,263)	-	-	-
Other restricted funds	-	94,788	(94,788)	-	-	-
Pension reserve	(5,341,000)	(2,486,000)	(609,000)	-	828,000	(7,608,000)
	<u>(5,314,913)</u>	<u>13,040,507</u>	<u>(15,867,535)</u>	<u>(156,101)</u>	<u>828,000</u>	<u>(7,470,042)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	14,796,427	19,558,646	(1,168,822)	473,943	-	33,660,194
ESFA capital grants	-	58,289	(34,538)	-	-	23,751
Other capital grants	-	226,490	-	(220,728)	-	5,762
	<u>14,796,427</u>	<u>19,843,425</u>	<u>(1,203,360)</u>	<u>253,215</u>	<u>-</u>	<u>33,689,707</u>
Total restricted funds	<u>9,481,514</u>	<u>32,883,932</u>	<u>(17,070,895)</u>	<u>97,114</u>	<u>828,000</u>	<u>26,219,665</u>
Total of funds	<u>10,893,040</u>	<u>34,907,012</u>	<u>(17,368,505)</u>	<u>-</u>	<u>828,000</u>	<u>29,259,547</u>

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Shoeburyness High School	1,411,526	1,081,578	(189,960)	(83,161)	-	2,219,983
Bournes Green Infant School	-	277,863	(24,880)	-	-	252,983
Bournes Green Junior School	-	275,926	-	(110,354)	-	165,572
Hinguar Primary School	-	275,791	(144,662)	(118,274)	-	12,855
Richmond Avenue Primary and Nursery School	-	382,261	44,960	(229,573)	-	197,648
Thorpedene Primary School	-	634,956	(110,924)	(6,055)	-	517,977
Central	-	1,419	-	(69,829)	-	(68,410)
	<u>1,411,526</u>	<u>2,929,794</u>	<u>(425,466)</u>	<u>(617,246)</u>	<u>-</u>	<u>3,298,608</u>
Restricted funds						
General Annual Grant (GAG)	-	29,160,698	(28,352,770)	(690,236)	-	117,692
Other DfE/ESFA grants	-	2,865,562	(2,679,059)	-	-	186,503
Local Authority grants	-	1,286,916	(1,242,425)	5,000	-	49,491
Other grants	-	104,754	(104,754)	-	-	-
Donations	-	17,584	(15,996)	-	-	1,588
Educational visits	26,087	100,176	(126,263)	-	-	-
Other restricted funds	-	94,788	(94,788)	-	-	-
Pension reserve	(5,341,000)	(2,486,000)	(2,180,000)	737,000	2,483,000	(6,787,000)
	<u>(5,314,913)</u>	<u>31,144,478</u>	<u>(34,796,055)</u>	<u>51,764</u>	<u>2,483,000</u>	<u>(6,431,726)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	14,796,427	19,516,116	(2,605,189)	4,744,283	-	36,451,637
ESFA capital grants	-	140,238	(34,538)	(93,318)	-	12,382
Other capital grants	-	4,085,483	-	(4,085,483)	-	-
	<u>14,796,427</u>	<u>23,741,837</u>	<u>(2,639,727)</u>	<u>565,482</u>	<u>-</u>	<u>36,464,019</u>
	<u>9,481,514</u>	<u>54,886,315</u>	<u>(37,435,782)</u>	<u>617,246</u>	<u>2,483,000</u>	<u>30,032,293</u>
Total of funds	<u>10,893,040</u>	<u>57,816,109</u>	<u>(37,861,248)</u>	<u>-</u>	<u>2,483,000</u>	<u>33,330,901</u>

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

19. TRANSFER BETWEEN FUNDS

Funds have been transferred in respect of the following;

£737,000 has been transferred from restricted General Annual Grant (GAG) to the restricted pension reserve as pension contributions paid, on behalf of employees, into the LGPS.

£312,267 has been transferred from restricted funds to restricted fixed asset funds representing assets purchased using the General Annual Grant (GAG).

£3,958,073 has been transferred to Restricted fixed asset fund from ESFA and other Capital grants representing assets purchased during the period.

£520,132 has been transferred to General Annual Grant (GAG) from unrestricted funds to cover deficits on these grants.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	36,451,636	36,451,636
Current assets	3,329,914	2,063,514	128,105	5,521,533
Creditors due within one year	(31,306)	(1,708,240)	(115,722)	(1,855,268)
Provisions for liabilities and charges	-	(6,787,000)	-	(6,787,000)
	<u>3,298,608</u>	<u>(6,431,726)</u>	<u>36,464,019</u>	<u>33,330,901</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	2,416,354	17,538,507
Adjustment for:		
Depreciation charges	1,431,613	1,158,045
Dividends, interest and rents from investments	(5,658)	(6,403)
Loss on the sale of fixed assets	8,681	10,777
Decrease/(increase) in debtors	321,502	(918,229)
Increase in creditors	161,434	711,886
Capital grants from DfE and other capital income	(3,940,942)	-
Defined benefit pension scheme obligation inherited	-	2,486,000
Defined benefit pension scheme cost less contributions payable	646,000	464,000
Defined benefit pension scheme finance cost	188,000	145,000
Fixed assets inherited from Local Authority on conversion	42,530	(19,558,646)
Net cash provided by operating activities	1,269,514	2,030,937

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	4,842,988	3,901,140
Total	4,842,988	3,901,140

23. CAPITAL COMMITMENTS

At 31 August 2018 the academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	513,056	3,281,749

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,546,000 (2017 - £971,855).

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

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £929,000 (2017 - £703,000), of which employer's contributions totalled £737,000 (2017 - £558,000) and employees' contributions totalled £192,000 (2017 - £145,000). The agreed contribution rates for future years are 22% to 25% for employers and 5.5% to 6.8% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI increases	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	12,412,000	12,151,000
Discount rate -0.1%	13,020,000	12,542,000
Mortality assumption - 1 year increase	13,133,000	12,853,000
Mortality assumption - 1 year decrease	12,305,000	12,275,000
CPI rate +0.1%	12,747,000	12,487,000
CPI rate -0.1%	12,677,000	12,372,000

SOUTHEND EAST COMMUNITY ACADEMY TRUST

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	3,774,000	3,157,000
Gilts	317,000	302,000
Bonds	346,000	188,000
Property	527,000	469,000
Alternative assets	531,000	368,000
Cash	202,000	149,000
Other funds	228,000	204,000
Total market value of assets	5,925,000	<i>4,837,000</i>

The actual return on scheme assets was £323,000 (2017 - £468,000).

The expected return on assets is based on the long-term future expected investment return for each asset classes as at the beginning of the period (i.e. as at 1 September 2017) for the year to 31 August 2018. The returns on gilts and other bonds are assumed to be the gilt yield and the corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	<i>2017 £</i>
Current service cost	(1,382,000)	(1,022,000)
Interest income	135,000	72,000
Interest cost	(323,000)	(217,000)
Admin expenses	(1,000)	-
Total	(1,571,000)	<i>(1,167,000)</i>

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	12,445,000	7,487,000
Upon conversion	-	3,786,000
Current service cost	1,382,000	1,022,000
Interest cost	323,000	217,000
Employee contributions	192,000	145,000
Actuarial gains	(1,467,000)	(108,000)
Benefits paid	(163,000)	(104,000)
Closing defined benefit obligation	12,712,000	<i>12,445,000</i>

SOUTHEND EAST COMMUNITY ACADEMY TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018****24. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	4,837,000	2,146,000
Upon conversion	-	1,300,000
Interest income	135,000	72,000
Actuarial losses	188,000	720,000
Employer contributions	737,000	558,000
Employee contributions	192,000	145,000
Benefits paid	(163,000)	(104,000)
Admin expenses	(1,000)	-
Closing fair value of scheme assets	<u>5,925,000</u>	<u>4,837,000</u>

25. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	33,800	24,904
Between 1 and 5 years	62,131	77,975
Total	<u>95,931</u>	<u>102,879</u>

26. MEMBERS' LIABILITY

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

27. CONTROLLING PARTY

There is no ultimate controlling party.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

St. Ann's Manufacturing Co. Ltd - A company in which A Scanes is a Director

For the year ending 31 August 2018 the Trust procured goods totalling £1,021 (2017: £1,701) from the above company

There were no amounts outstanding at the year end.

The transactions were conducted at arms' length. In entering into these transactions the trust has complied with the requirements of ESFA's Academies Financial Handbook.

Portico Academy Trust - A company in which G Lane is a Trustee

For the year ending 31 August 2018 the Trust procured goods and services totalling £270 (2017: £nil) from the above company. The Trust also provided goods and services totalling £14,201 (2017: £11,885).

There were no amounts outstanding at the year end.

The transactions were conducted at arms' length. In entering into these transactions the trust has complied with the requirements of ESFA's Academies Financial Handbook.

All Things Scene Ltd - A company in which M House is a Director

For the year ending 31 August 2018 the Trust procured goods and services totalling £2,190 (2017: £nil) from the above company.

There were no amounts outstanding at the year end.

The company was selected as the cheapest provider following a competitive quotation exercise. In entering into these transactions the trust has complied with the requirements of ESFA's Academies Financial Handbook.

L Melville - Spouse of P Melville

L Melville received remuneration of £15,453 (2017: £15,300) and employers pension contributions of £2,547 (2017: £2,521) in respect of their employment with the Trust. P Melville neither participated nor influenced any decisions relating to L Melville's pay and conditions.