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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

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SOUTHEND EAST COMMUNITY ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr R Knight (Resigned 21 January 2019) Mr A Scanes Mr D Andrews Ms C Carswell Rev J Collis
Trustees	Mr R Knight Mr M Sweeting, Chair of Trust Board Mr S Goodall Mr P Melville Mrs P Dewey (resigned 7 June 2019) Mr M House (resigned 6 December 2018) Mr G Lane (resigned 7 June 2019) Mr B Sandford Mr G Reeder (resigned 20 March 2019) Mrs R Brock, Chief Executive Officer (appointed 1 September 2018) Mrs S Rollason (appointed 8 November 2018) Mrs M Palles-Clark, Vice Chair of Trust Board (appointed 8 November 2018) Mrs A Savill (appointed 4 June 2019) Mrs E Farrell (appointed 27 March 2019, resigned 29 August 2019)
Company registered number	07825856
Company name	Southend East Community Academy Trust
Principal and registered office	SECAT House Delaware Road Shoeburyness Essex SS3 9NP
Chief Executive Officer	Mrs R Brock
Senior management team	Mrs R Brock, Chief Executive Officer (appointed 1 September 2018) S Oxenham, Interim Chief Financial Officer (appointed December 2018) Mrs D Trumble, Finance Director (appointed September 2019) Mrs G Ore, HR Manager (appointed September 2019) Mrs W Walden, MAT Business Manager (resigned March 2019) Mrs K Hodgson, Chief Financial Officer (resigned March 2019)
Independent auditors	MWS Chartered Accountants Registered Auditor 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 2019

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 2019. 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 3373 in the 2018 census, including nurseries.

Structure, governance and management

a. Constitution

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

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

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

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

b. Members' liability

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

c. Trustees' indemnities

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

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

The Members have appointed by ordinary resolution 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. After an audit, it is recognised that HR and legal experience are gaps the Trust would wish to fill. An advert for recruitment to the Trust Board has been posted.

e. Policies adopted for the induction and training of Trustees

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training 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.

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

Structure, governance and management (continued)

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 Resources meet at least three times per year. As the Trust moves into its fourth year, additional meetings have been put in place to address any emerging issues or to ensure that recommendations are considered and decisions are made in a timely fashion.

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

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

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

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

The Trust's CEO is the Accounting Officer.

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

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

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

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee of the Trust Board (The Pay & Personnel Committee) and ratified by the Trust Board. The pay and remuneration of the CEO is determined by the Trust Board following an external review in the autumn term of each academic year, put in place from September 2018.

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

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	1,002	
Total pay bill	15,926,836	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	2	%
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i. Related parties and other connected charities and organisations

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

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

- School Sports Partnership
- Southend Local Authority
- Southend SCITT
- Billericay Teaching Schools Alliance
- Southend East Teaching School Alliance
- Southend High School for Boys

The Trust does not have a formal sponsor.

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

Objectives and activities

a. Objects and aims

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

b. Objectives, strategies and activities

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

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

The main objectives of the Academy Trust are summarised below:

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

c. Public benefit

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

Strategic report

Achievements and performance

a. Introduction

The Trust continued its mission to ensure that pupils achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and prepared and guided pupils as they move to the next stage of their education career.
Specific achievements were as follows in 2019:

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

Strategic report (continued)

Achievements and performance (continued)

KS2 SATs 2019

Academy	RWM N/A+ 2018 64%	Reading Exp N/A 2018 75%	Reading GD N/A 2018 28%	Writing Exp N/A 2018 78%	Writing GD N/A 2018 20%	Maths Exp N/A 2018 76%	Maths GD N/A 2018 24%	Reading Progress	Writing Progress	Maths Progress
Thorpedene Primary	71%	78%	29%	82%	29%	84%	27%	+2.4	+2.9	+2.7
Richmond Avenue Primary	58%	72%	24%	71%	19%	85%	14%	-1.12*	-2.06*	-2.43*
Hinguar Primary	97%	100%	40%	87%	40%	100%	77%	+5.95	+4.47	+8.38
Bournes Green Junior	55%	87%	43%	91%	36%	91%	52%	-1.4	-0.5	-0.3

Key Stage 1 Results

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

EYFS Results 2019

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

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

Strategic report (continued)

Achievements and performance (continued)

KS4 results this year

Down on last year. Attainment 8 is down. P8 will be negative.

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

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

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

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

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

Music had **86% 5+**

Art **82% 5+**

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

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

b. Key financial performance indicators

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

Ratios	2018	2019
Adjusted Current Ratio	2.98	2.88
Adjusted operating position as a % of income	10.55%	-0.15%
Staff Costs as a % of Operating Income	81.90%	83.87%
Staff Costs as a % of Total Income	61.97%	75.71%

c. Going concern

After making appropriate enquiries, the Trustees have considered the Trust having reasonable resources to continue in operational existence for the foreseeable future. The Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

a. Introduction

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Funding Agency (EFA). For the year ended 31 August 2019 the Trust received £17,249,260 of GAG and other funding 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 £19,613,545 on revenue expenditure and transferred £506,768 to support capital new build and improvement projects on the various academy sites. The Trust brought forward from 17/18, £355,274 restricted funds and £3,298,608 unrestricted funding. The carry forward for 18/19 is £371,451 restricted funding and £2,976,251 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a pension fund deficit of £8,925,000, which is more than was anticipated. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

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

Strategic report (continued)

Financial review (continued)

b. Reserves policy

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

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,976,251. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

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

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 was £3,347,702.

The cash balance of the Trust has been healthy for the majority of the year, ending the year with a balance of £5,845,644. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the reports from the Chief Financial Officer to the Resources Committee and attempt to hold a minimum of £1,650,000 to cover short term cash flow variances.

c. Investment policy

The aim of the Investment Policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow. Following the decision by the Trust Board to bring the collective Academy reserves into the Centre, the Central Reserves for the accounting year in question, have been placed with Lloyds Bank Overnight Deposit in August 2019 accumulating £164.39, and prior to that with Lloyds Term Deposit Account, accumulating £3,883.56.

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

Strategic report (continued)

Financial review (continued)

d. Principal risks and uncertainties

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

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

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

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

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

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

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

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

Fundraising

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

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

The Board of Trustees is responsible for ensuring that:

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

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

Plans for future periods

There is particular focus on the following for 2019/20.

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

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

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

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

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

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

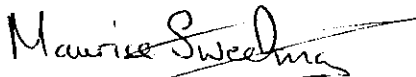
Full details of these policies are available from the Academy Trust's offices.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 9 December 2019 and signed on its behalf by:



Mr M Sweeting
Chair of Trustees



Mrs R Brock
Chief Executive Officer

SOUTHEND EAST COMMUNITY ACADEMY TRUST

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 9 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr M Sweeting, Chair of Trust Board	9	9
Mr R Knight	9	9
Mrs R Brock, Chief Executive Officer	9	9
Mr S Goodall	8	9
Mr P Melville	6	9
Mrs P Dewey	4	9
Mr M House	2	2
Mr G Lane	8	9
Mr B Sandford	8	9
Mr G Reeder	3	3
Mrs M Palles-Clark, Vice Chair of Trust Board	3	3
Mrs S Rollason	3	3
Mrs A Savill	3	3

The Board composition changed during the course of the year, with two Trustees resigning leaving two vacancies (which were Member appointments). Following a skills audit, identified the need for HR and secondary and primary education expertise. Appropriate appointments were made to those skills gaps during the course of the year. Since then, one of those Trustees, for personal reasons, has had to resign leaving a vacancy that we will again recruit to when Members agree.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Resources Committee (previously 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 Academies' budget expenditure, policies and reporting, assess risks and put forward proposals to the Trust Board to mitigate and manage risk.

During the year 2018-19, we have moved to centralise the finance function reducing the risks of inaccurate reporting. The consistency with which Academies report to the Resources Committee so that the Trust Board have informed oversight of Trust funds, sustainability and risk.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Sweeting	4	4
Mr S Goodall	2	2
Mr R Knight	2	2
Mr G Lane	5	5
Mr P Melville	4	6
Mr M House	1	2
Mrs P Dewey	1	4
Mrs M Palles-Clark	3	4

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

In March 2019 the scheme of delegation changed following these changes the Audit Committees functions were incorporated into the Resources Committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Sweeting	1	1
Mr S Goodall	1	1
Mr B Sandford	1	1
Mr G Reeder	1	1

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

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

Educational Outcomes

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

Business Planning

The Trust holds half termly meetings with the 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.
- Continue Negotiation of Contracts: for example, centralising contracts across the Trust, in particular those held with Southend Borough Council for sports provision, cleaning, fire and Health and Safety checks. resulting in cost savings for all academies.:
- Shared Training: for example, moderation of standards at EYFS, KS 1 and KS2. Ofsted training, in house rather than through the Borough.
- The Trust has a clear scheme of delegation and authorisation approved by the Board and this was followed throughout the year.

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

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Financial Governance/Management

The Trust's financial regulations provide effective control without excessive bureaucracy overheads. Value for money is enhanced through the continuous improvement of day-to-day financial transactions with support offered by the Chief Financial Officer.

- Value for Money is sought by all budget holders: For example, value from external suppliers is ensured by the fact that for any order between £501 to £6,000 the budget holder must demonstrate best value; providing supporting evidence of having sought more than one quotation. For any amount between £6,001 and up to the European Union Threshold, the budget holder must obtain three competitive quotations, in writing, and attach them to the purchase order.
- Tender process and procurement service utilised: For example, current negotiations regarding building and maintenance contract for members of the Trust to benefit from economies of scale
- The National pay change for associate staff was implemented in April salaries and following information from Essex pension services adjustments have also been made. Rising on-costs continue to be a concern to academies and all vacancies are carefully analysed to ensure only essential replacements are made.

Organisational Learning

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that have been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Rickard Lucking as internal auditor.

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

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

On a quarterly basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

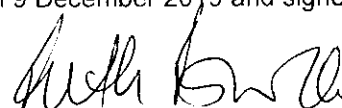
As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 Academies 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 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 9 December 2019 and signed on their behalf by:


Mr M Sweeting
Chair of Trustees


Mrs R Brock
Accounting Officer
Trustee

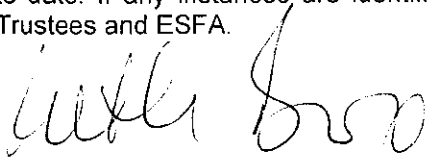
SOUTHEND EAST COMMUNITY ACADEMY TRUST
(A company limited by guarantee)

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 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



Mrs R Brock
Accounting Officer
Date: 9 December 2019

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

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

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

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

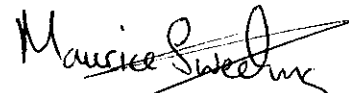
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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.

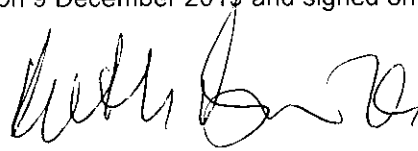
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 9 December 2019 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)

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

Opinion

We have audited the financial statements of Southend East Community Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 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 Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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


Jonathan Gorrige FCA (Senior statutory auditor)

for and on behalf of
MWS
Chartered Accountants
Registered Auditor
Kingsridge House
601 London Road
Westcliff on sea
Essex
SS0 9PE

10 December 2019

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

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

In accordance with the terms of our engagement letter dated May 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southend East Community Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Southend East Community Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Southend East Community Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Southend East Community Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

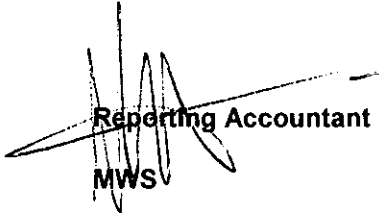
- Assessing the risk of material irregularity in the Academy Trust
- Commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academies Financial Handbook
- Investigating any areas of significant risk identified
- Consideration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

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

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

Conclusion

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



Reporting Accountant
MWS

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

Date: 10 December 2019

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 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	4					
Assets received on conversion		-	-	-	-	(172,680)
Other donations and capital grants		261,897	55,163	2,045,219	2,362,279	4,242,044
Charitable activities		340,242	17,915,860	-	18,256,102	18,418,753
Other trading activities		408,691	-	-	408,691	415,322
Investments	7	8,277	-	-	8,277	5,658
Total income		1,019,107	17,971,023	2,045,219	21,035,349	22,909,097
Expenditure on:						
Charitable activities		114,022	19,499,523	1,454,087	21,067,632	20,492,743
Total expenditure		114,022	19,499,523	1,454,087	21,067,632	20,492,743
Net income/ (expenditure)		905,085	(1,528,500)	591,132	(32,283)	2,416,354
Transfers between funds	18	(1,227,446)	720,678	506,768	-	-
Net movement in funds before other recognised gains/(losses)		(322,361)	(807,822)	1,097,900	(32,283)	2,416,354
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(1,314,000)	-	(1,314,000)	1,655,000
Net movement in funds		(322,361)	(2,121,822)	1,097,900	(1,346,283)	4,071,354

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

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

Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Reconciliation of funds:					
Total funds brought forward	3,298,612	(6,431,727)	36,464,016	33,330,901	29,259,547
Net movement in funds	(322,361)	(2,121,822)	1,097,900	(1,346,283)	4,071,354
Total funds carried forward	<u><u>2,976,251</u></u>	<u><u>(8,553,549)</u></u>	<u><u>37,561,916</u></u>	<u><u>31,984,618</u></u>	<u><u>33,330,901</u></u>

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

The notes on pages 30 to 59 form part of these financial statements.

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

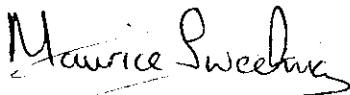
BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	36,816,505	36,451,635
		36,816,505	36,451,635
Current assets			
Debtors	16	427,710	678,546
Cash at bank and in hand		5,845,644	4,842,988
		6,273,354	5,521,534
Creditors: amounts falling due within one year	17	(2,180,241)	(1,855,268)
		4,093,113	3,666,266
Net current assets		4,093,113	3,666,266
Total assets less current liabilities		40,909,618	40,117,901
Net assets excluding pension liability		40,909,618	40,117,901
Defined benefit pension scheme liability	24	(8,925,000)	(6,787,000)
Total net assets		31,984,618	33,330,901
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	37,561,916	36,464,016
Restricted income funds	18	371,451	355,273
		37,933,367	36,819,289
Restricted funds excluding pension asset	18	37,933,367	36,819,289
Pension reserve	18	(8,925,000)	(6,787,000)
		29,008,367	30,032,289
Total restricted funds	18	29,008,367	30,032,289
Unrestricted income funds	18	2,976,251	3,298,612
Total funds		31,984,618	33,330,901

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 25 to 59 were approved by the Trustees, and authorised for issue on 09 December 2019 and are signed on their behalf, by:



Mr M Sweeting
Chair of Trustees



Mrs R Brock
Trustee

The notes on pages 30 to 59 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	20	770,470	1,269,514
Cash flows from investing activities	21	232,186	(327,666)
Change in cash and cash equivalents in the year		1,002,656	941,848
Cash and cash equivalents at the beginning of the year		4,842,988	3,901,140
Cash and cash equivalents at the end of the year	22	5,845,644	4,842,988

The notes on pages 30 to 59 form part of these financial statements

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

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

1. General information

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

SECAT House
Delaware Road
Shoeburyness
SS3 9NP

The registered number is: 07825856

2. Accounting policies

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

2.1 Basis of preparation of financial statements

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

Southend East Community Academy Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

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

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

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

2.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

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FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.6 Taxation

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

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

2.7 Tangible fixed assets

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

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

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

Depreciation is provided 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 equipment	- 10 years straight line
Computer equipment	- 5 years straight line
Motor vehicles	- 10 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 and reclassified to freehold or leasehold land and buildings.

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

2.8 Debtors

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

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2. Accounting policies (continued)

2.9 Cash at bank and in hand

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

2.10 Liabilities

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

2.11 Financial instruments

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

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

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

2.12 Operating leases

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

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.13 Pensions

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

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

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

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

2.14 Fund accounting

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

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

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

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

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FOR THE YEAR ENDED 31 AUGUST 2019

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Assets received on conversion	-	-	-	-
Donations	261,897	55,163	7,500	324,560
Government grants	-	-	2,037,719	2,037,719
Total 2019	<u>261,897</u>	<u>55,163</u>	<u>2,045,219</u>	<u>2,362,279</u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Assets received on conversion	(130,150)	-	(42,530)	(172,680)
Donations	283,519	17,584	4,666	305,769
Government grants	-	-	3,936,275	3,936,275
<i>Total 2018</i>	<u>153,369</u>	<u>17,584</u>	<u>3,898,411</u>	<u>4,069,364</u>

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

5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	15,616,394	15,616,394
Other DfE/ESFA grants	-	1,632,866	1,632,866
	-	17,249,260	17,249,260
Other government grants			
Local Authority grants	-	642,800	642,800
Other Government grants	-	23,800	23,800
	-	666,600	666,600
Other funding			
Catering income	340,242	-	340,242
	340,242	17,915,860	18,256,102
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	15,723,501	15,723,501
Other DfE/ESFA grants	-	1,572,320	1,572,320
	-	17,295,821	17,295,821
Other government grants			
Local Authority grants	-	766,765	766,765
Other Government grants	-	23,800	23,800
	-	790,565	790,565
Other funding			
Catering income	332,367	-	332,367
	332,367	18,086,386	18,418,753

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NOTES TO THE FINANCIAL STATEMENTS
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6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	22,767	22,767	19,147
Extended schools	176,225	176,225	192,029
Sports activities	72,173	72,173	82,458
Music fees	39,629	39,629	29,239
Other income	71,181	71,181	73,426
Nursery income	26,716	26,716	19,023
	<u>408,691</u>	<u>408,691</u>	<u>415,322</u>

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	<u>8,277</u>	<u>8,277</u>	<u>5,658</u>

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational Operations:				
Direct costs	12,861,287	-	1,133,502	13,994,789
Allocated support costs	3,065,549	2,835,129	1,172,165	7,072,843
Total 2019	<u>15,926,836</u>	<u>2,835,129</u>	<u>2,305,667</u>	<u>21,067,632</u>

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	<i>Staff Costs</i> 2018 £	<i>Premises</i> 2018 £	<i>Other</i> 2018 £	<i>Total</i> 2018 £
Educational Operations:				
Direct costs	12,846,174	-	1,036,494	13,882,668
Allocated support costs	2,724,120	2,647,955	1,238,000	6,610,075
<i>Total 2018</i>	<u>15,570,294</u>	<u>2,647,955</u>	<u>2,274,494</u>	<u>20,492,743</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational Operations	<u>13,994,789</u>	<u>7,072,843</u>	<u>21,067,632</u>

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational Operations	<u>13,882,668</u>	<u>6,610,075</u>	<u>20,492,743</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Net pension finance charge	170,000	170,000	188,000
Staff costs	3,065,550	3,065,550	2,724,120
Depreciation	1,454,087	1,454,087	1,431,613
Print postage and stationery	51,740	51,740	51,199
Telephone	22,451	22,451	25,138
Subscriptions	45,498	45,498	29,168
Technology costs	78,395	78,395	77,343
Governance	29,500	29,500	33,001
Recruitment Costs	74,946	74,946	78,939
Premises costs	526,018	526,018	397,227
Cleaning	377,915	377,915	341,061
Professional fees	291,441	291,441	198,055
Rent and rates	119,491	119,491	116,376
Energy costs	237,052	237,052	241,510
Insurance	73,042	73,042	81,278
Security and transport	47,525	47,525	38,890
Catering	365,782	365,782	362,714
Bank interest and charges	261	261	121
Other support costs	42,149	42,149	194,322
	<u>7,072,843</u>	<u>7,072,843</u>	<u>6,610,075</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	34,082	33,800
Depreciation of tangible fixed assets	1,454,087	1,431,613
Fees paid to auditors for:		
- audit	29,450	21,000
- other services	1,500	-
	<u>1,509,019</u>	<u>1,454,413</u>

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

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	12,077,601	11,890,091
Social security costs	1,144,441	1,105,406
Pension costs	2,648,478	2,533,798
	<u>15,870,520</u>	<u>15,529,295</u>
Agency staff costs	34,521	25,252
Staff restructuring costs	21,795	15,747
	<u>15,926,836</u>	<u>15,570,294</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	-	10,110
Severance payments	21,795	5,637
	<u>21,795</u>	<u>15,747</u>

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

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £21,795 (2018: £5,637) the payment was made in October 2019.

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11. Staff costs (continued)

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

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	208	198
Administration and support	276	306
Management	21	19
	505	523

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	3	4
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1
	-	1

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 £182,292 (2018: £248,623).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Central services

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

- CEO, SBM, CFO, Personnel Manager and Clerking time including attending meetings, information sharing, giving advice, supporting and training school staff as needed.
- Researching and negotiating contracts on a MAT basis for 'best value' saving money for all schools.
- Consolidating all information and reports from the six schools to send to the relevant statutory bodies. Registering and reporting as the MAT when required.
- Establishing a central human resources and finance function
- Managing capital projects and assessing priorities for allocation of funds from the School Condition Allocation.

The academy charges for these services on the following basis:

To fund these costs, the Trust retained 2.5% of each academy's School Budget Share from the ESFA General Annual Grant funding and 2.5% of formula funding for post 16.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Shoeburyness High School	218,268	88,305
Bournes Green Infant School	10,968	7,428
Hinguar Community Primary School	19,746	8,667
Thorpedene Primary School	39,776	23,802
Bournes Green Junior School	34,846	9,900
Richmond Primary School	37,815	15,807
Total	361,419	153,909

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

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13. Trustees' remuneration and expenses

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

		2019	2018
		£	£
Mrs R Brock, Chief Executive Officer (appointed 1 September 2018)	Remuneration	90,000 - 95,000	
	Pension contributions paid	20,000 - 25,000	
Mr M Schofield, Chief Executive Officer (resigned 31 August 2018)	Remuneration		115,000 - 120,000
	Pension contributions paid		15,000 - 20,000

During the year ended 31 August 2019, no expenses were reimbursed or paid directly to Trustees (2018 - £12 to 1 Trustee).

14. Trustees' and Officers' insurance

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

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15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation							
At 1 September 2018	6,493,521	29,967,629	834,073	1,249,524	35,148	4,138,427	42,718,322
Additions	127,369	635,102	434,782	51,914	26,661	545,483	1,821,311
Disposals	-	-	(4,222)	-	-	-	(4,222)
Transfers between classes	-	4,683,910	-	-	-	(4,683,910)	-
At 31 August 2019	6,620,890	35,286,641	1,264,633	1,301,438	61,809	-	44,535,411
Depreciation							
At 1 September 2018	417,966	4,711,083	248,677	870,123	18,838	-	6,266,687
Charge for the year	211,807	1,045,176	85,014	108,924	3,165	-	1,454,086
On disposals	-	-	(1,867)	-	-	-	(1,867)
At 31 August 2019	629,773	5,756,259	331,824	979,047	22,003	-	7,718,906
Net book value							
At 31 August 2019	5,991,117	29,530,382	932,809	322,391	39,806	-	36,816,505
At 31 August 2018	6,075,555	25,256,546	585,396	379,401	16,310	4,138,427	36,451,635

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16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	10,746	10,191
Other debtors	157,496	343,284
Prepayments and accrued income	259,468	325,071
	427,710	678,546

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other creditors	1,341,522	1,280,248
Accruals and deferred income	838,719	575,020
	2,180,241	1,855,268
	2019 £	2018 £
Deferred income at 1 September 2018	194,091	130,527
Resources deferred during the year	222,185	194,091
Amounts released from previous periods	(194,091)	(130,527)
	222,185	194,091

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

	2019 £	2018 £
Universal Infant Free School Meals	£116,839	£118,019
School Games Organiser Funding	£13,883	£13,883
Rates relief	£27,048	£32,751
Music, lettings, clubs and trips income	£64,415	£17,861
Local Authority grants	£Nil	£11,577

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

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

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18. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
General Restricted Fixed Asset Funds	36,451,634	-	(1,454,087)	1,818,955	-	36,816,502
ESFA capital grants	12,382	1,232,430	-	(609,706)	-	635,106
Local Authority capital grants	-	805,289	-	(694,981)	-	110,308
Other capital grants	-	7,500	-	(7,500)	-	-
	<u>36,464,016</u>	<u>2,045,219</u>	<u>(1,454,087)</u>	<u>506,768</u>	<u>-</u>	<u>37,561,916</u>
Total Restricted funds	<u>30,032,289</u>	<u>20,016,242</u>	<u>(20,953,610)</u>	<u>1,227,446</u>	<u>(1,314,000)</u>	<u>29,008,367</u>
Total funds	<u>33,330,901</u>	<u>21,035,349</u>	<u>(21,067,632)</u>	<u>-</u>	<u>(1,314,000)</u>	<u>31,984,618</u>

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

Restricted general funds and other restricted funds

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

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

Restricted fixed asset funds

The balance of this fund represents the net book value of the Trust's tangible fixed assets plus any unspent capital grant funding. The Trust has committed to using £356,372 of these unspent grants as disclosed in Note 23.

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

Pension reserve

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

Unrestricted funds

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

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

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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Shoeburyness High School	723,878	2,267,458
Bournes Green Infant School	49,784	257,581
Bournes Green Junior School	69,812	169,625
Hinguar Community Primary School	12,638	11,861
Richmond Avenue Primary and Nursery School	62,056	224,431
Thorpedene Primary School	403,149	663,056
Central services	2,026,385	59,873
Total before fixed asset funds and pension reserve	<u>3,347,702</u>	<u>3,653,885</u>
Restricted fixed asset fund	37,561,916	36,464,016
Pension reserve	(8,925,000)	(6,787,000)
Total	<u><u>31,984,618</u></u>	<u><u>33,330,901</u></u>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Shoeburyness High School	7,034,293	1,711,246	366,338	1,455,684	10,567,561
Bournes Green Infant School	539,628	172,557	50,708	212,016	974,909
Bournes Green Junior School	749,362	175,897	117,032	134,068	1,176,359
Hinguar Community Primary School	782,390	253,375	67,385	180,047	1,283,197
Richmond Avenue Primary and Nursery School	1,496,571	423,838	123,610	203,733	2,247,752
Thorpedene Primary School	1,943,303	606,135	98,484	322,313	2,970,235
Central services	12,760	196,482	-	184,290	393,532
Academy Trust	<u>12,558,307</u>	<u>3,539,530</u>	<u>823,557</u>	<u>2,692,151</u>	<u><u>19,613,545</u></u>

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
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 funds	34,035	719	-	25,120	-	59,874
	<u>3,039,886</u>	<u>906,714</u>	<u>(127,856)</u>	<u>(520,132)</u>	<u>-</u>	<u>3,298,612</u>
Restricted general funds						
General Annual Grant (GAG)	-	15,723,502	(15,076,676)	(529,135)	-	117,691
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>(18,928,521)</u>	<u>207,865</u>	<u>1,655,000</u>	<u>(6,431,727)</u>

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18. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Restricted fixed asset funds						
General Restricted Fixed Asset Funds	33,660,191	(42,530)	(1,436,367)	4,270,340	-	36,451,634
ESFA capital grants	23,751	81,949	-	(93,318)	-	12,382
Other capital grants	5,762	3,858,993	-	(3,864,755)	-	-
	<u>33,689,704</u>	<u>3,898,412</u>	<u>(1,436,367)</u>	<u>312,267</u>	<u>-</u>	<u>36,464,016</u>
Total Restricted funds	<u>26,219,662</u>	<u>22,002,383</u>	<u>(20,364,888)</u>	<u>520,132</u>	<u>1,655,000</u>	<u>30,032,289</u>
Total funds	<u><u>29,259,548</u></u>	<u><u>22,909,097</u></u>	<u><u>(20,492,744)</u></u>	<u><u>-</u></u>	<u><u>1,655,000</u></u>	<u><u>33,330,901</u></u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	36,816,505	36,816,505
Current assets	2,997,162	2,155,714	1,120,478	6,273,354
Creditors due within one year	(20,911)	(1,784,263)	(375,067)	(2,180,241)
Provisions for liabilities and charges	-	(8,925,000)	-	(8,925,000)
Total	<u><u>2,976,251</u></u>	<u><u>(8,553,549)</u></u>	<u><u>37,561,916</u></u>	<u><u>31,984,618</u></u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	36,451,635	36,451,635
Current assets	3,329,918	2,063,513	128,103	5,521,534
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)
Total	<u>3,298,612</u>	<u>(6,431,727)</u>	<u>36,464,016</u>	<u>33,330,901</u>

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

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of financial activities)	<u>(32,283)</u>	<u>2,416,354</u>
Adjustments for:		
Depreciation	1,454,086	1,431,613
Capital grants from DfE and other capital income	(2,045,220)	(3,940,942)
Interest receivable	(8,277)	(5,658)
Defined benefit pension scheme cost less contributions payable	654,000	646,000
Defined benefit pension scheme finance cost	170,000	188,000
Decrease in debtors	250,835	321,502
Increase in creditors	324,974	161,434
Loss on sale of fixed assets	2,355	8,681
Fixed assets inherited from Local Authority on conversion	-	42,530
Net cash provided by operating activities	<u>770,470</u>	<u>1,269,514</u>

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21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	8,277	5,658
Purchase of tangible fixed assets	(1,821,311)	(4,274,266)
Capital funding received from sponsors and others	2,045,220	3,940,942
Net cash provided by/(used in) investing activities	232,186	(327,666)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	5,845,644	4,842,988
Total cash and cash equivalents	5,845,644	4,842,988

23. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition and improvement of tangible fixed assets	356,372	513,056
	356,372	513,056

24. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £1,203,000 (2018 - £1,152,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £991,000 (2018 - £929,000), of which employer's contributions totalled £792,000 (2018 - £737,000) and employees' contributions totalled £ 199,000 (2018 - £192,000). The agreed contribution rates for future years are 23 to 25 per cent for employers and 5.5 to 8.5 per cent for employees.

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.

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24. Pension commitments (continued)

Principal actuarial assumptions

	2019	<i>2018</i>
	%	%
Rate of increase in salaries	3.68	3.8
Rate of increase for pensions in payment/inflation	2.18	2.3
Discount rate for scheme liabilities	1.88	2.65
Inflation assumption (CPI)	2.18	2.3
Commutation of pensions to lump sums	50	50
RPI increases	3.18	3.3

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

	2019	<i>2018</i>
	Years	Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23	24.5
Females	25.4	27.1

Sensitivity analysis

	2019	<i>2018</i>
	£000	£000
Discount rate +0.1%	15,889	12,412
Discount rate -0.1%	16,677	13,020
Mortality assumption - 1 year increase	16,910	13,133
Mortality assumption - 1 year decrease	15,670	12,305
CPI rate +0.1%	16,323	12,747
CPI rate -0.1%	16,233	12,677

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24. Pension commitments (continued)

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

	At 31 August 2019	<i>At 31 August 2018</i>
	£	£
Equities	4,635,000	3,774,000
Gilts	404,000	317,000
Bonds	413,000	346,000
Property	589,000	527,000
Alternative assets	720,000	531,000
Cash	214,000	202,000
Other funds	378,000	228,000
Total market value of assets	7,353,000	5,925,000

The actual return on scheme assets was £530,000 (2018 - £323,000).

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

	2019	<i>2018</i>
	£	£
Current service cost	(1,267,000)	(1,382,000)
Past service cost	(178,000)	-
Interest income	169,000	135,000
Interest cost	(339,000)	(323,000)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(7,000)	-
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of financial activities	(1,623,000)	(1,571,000)

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

	2019	<i>2018</i>
	£	£
At 1 September	12,712,000	12,445,000
Current service cost	1,267,000	1,382,000
Interest cost	339,000	323,000
Employee contributions	199,000	192,000
Actuarial losses/(gains)	1,675,000	(1,467,000)
Benefits paid	(102,000)	(163,000)
Past service costs	178,000	-
Effects of non-routine settlements	10,000	-
At 31 August	16,278,000	12,712,000

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24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	5,925,000	4,837,000
Interest income	169,000	135,000
Actuarial gains	361,000	188,000
Employer contributions	792,000	737,000
Employee contributions	199,000	192,000
Benefits paid	(102,000)	(163,000)
Effects of non-routine settlements	10,000	-
Admin expenses	(1,000)	(1,000)
At 31 August	7,353,000	5,925,000

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

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

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

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

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

25. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	33,755	33,800
Later than 1 year and not later than 5 years	33,087	62,131
	66,842	95,931

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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. 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 2019 the Trust procured goods totalling £863 (2018: £1,021) 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.

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

For the year ending 31 August 2019 the Trust procured goods and services totalling £nil (2018: £2,190) 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.

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

K Scanes received remuneration since R Knight's resignation of £17,613 and employers pension contributions of £3,981 in respect of their employment with the Trust. A Scanes neither participated nor influenced any decisions relating to K Scanes' pay and conditions.

R Collis - Child of J Collis who is deemed to have significant influence in the Trust following R Knight's resignation.

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

L Melville - Spouse of P Melville

L Melville received remuneration of £15,762 (2018: £15,453) and employers pension contributions of £2,598 (2018: £2,547) in respect of their employment with the Trust. P Melville neither participated nor influenced any decisions relating to L Melville's pay and conditions.

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28. Controlling party

There is no ultimate controlling party.