

REGISTERED COMPANY NUMBER: 07973980 (England and Wales)

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018
FOR
SEN TRUST SOUTHEND**

Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

SEN TRUST SOUTHEND
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

	Page
Trustees' Report	1 to 11
Governance Statement	12 to 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees Responsibilities	16
Report of the Independent Auditors	17 to 18
Independent Auditor's Report on Regularity	19 to 20
Statement of Financial Activities	21
Statement of Financial Position	22
Statement of Cash Flows	23
Notes to the Statement of Cash Flows	24
Notes to the Financial Statements	25 to 49

SEN TRUST SOUTHEND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2018. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

SEN TRUST SOUTHEND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Objectives and aims

The multi academy trust's objectives are specifically restricted to the following:

- (a) to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special education provision for pupils with Special Educational Needs; and
- (b) to promote for the benefit of individuals living in South East Essex and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The principal objective and activity of the Multi Academy Trust is to provide education to pupils with Special Educational Needs.

The aims of SEN Trust Southend as outlined in the MAT Development Plan are:

- (a) to create an outstanding community of schools working collaboratively across Southend and South East Essex to enable pupils with Special Educational Needs to achieve their best and to enable them to move on to independence, making the most of their abilities;
- (b) to be able to share expertise, resources and training across the schools whilst maintaining the individual ethos, status and character of the individual school;
- (c) to provide a source of training, expertise and support for mainstream schools to enable the great majority of pupils with Special Educational Needs to remain in mainstream provision, where appropriate, with the correct support; and
- (d) to work within our community to ensure our young people are included, accepted and are part of the life of Southend / South East Essex.

Objectives, strategies and activities

The main academic objectives for the 2017/18 academic year were:

- (a) To create and develop an effective partnership of four special schools who work separately, yet closely together to meet the Special Educational Needs of a wide group of young people aged 3-19 across Southend and the surrounding areas.
- (b) To create a succession plan for leadership as it was known that three out of four Headteachers were due to retire / leave within a year of inception. This objective was successful (despite the shortage of applicants for Headteacher posts in special schools) and there is a new leadership team in each school for the future, beginning in September 2018.
- (c) Trustees and members have also been recruited to ensure a full skillset across the MAT, whilst sticking to the original aims of cooperative, yet autonomous working within each school.
- (d) Processes and procedures are aligning to enable successful sharing of practice to enable the four already successful schools to further develop and grow.
- (e) To look for areas of savings and gain by consolidating procurement for some aspects of our work. These are limited as the nature of the special needs of our pupils are so different and require a different skillset to work with, hence it is difficult to share central staff.
- (f) Developing new and accessible recording and measuring tools which reflect the progress pupils make across a year and over longer periods of time.
- (g) Utilising our skills and expertise to provide advice and support to other schools in the area.

SEN TRUST SOUTHEND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Objectives and aims

The MAT consists of four schools who meet the specialist placement and educational needs of the vast majority of pupils who needs specialist provision within the Local Authority of Southend on Sea and some from surrounding areas of Essex LA (between the schools, we work with over 520 pupils who access specialist SEN provision). This represents pupils, all with Education, Health and Care Plans (EHCPs), requiring specialist placements for young people with profound / multiple learning difficulties which also includes those with complex physical difficulties, those with severe difficulties with communication including autistic spectrum disorder, to those with mild to moderate learning difficulties who also display challenging behaviour associated with their learning difficulties. None of these groups are able to attend a mainstream school setting. The only group not specifically included from within the LA are those young people who have severe and challenging behavioural issues who attend a different specialist provision in the LA.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the academy trust's objectives and aims and in planning future activities for the year. The trustees consider that the academy's aims are demonstrably to the public benefit.

SEN TRUST SOUTHEND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Academic achievements and performance

The main achievement of the school year has been to provide a good / outstanding provision across all four schools whilst also recruiting and supporting three new Headteachers. The recruitment took up a considerable amount of time and energy to ensure that we had the right person for each school.

The demand for school places for each school has risen with two of four schools within the MAT over their given numbers for which place funding is received. In total, the MAT had 514 pupils on roll in 2017/18 and were placed funded for 486. At the start of the 2018/19 academic year the MAT had 528 pupils on roll.

Requests for places from parents and Local Authorities remains at an all-time high across the MAT. For example, The St. Christopher School received 199 requests to visit the school during 2017/18. That is the most the school has ever received. Of those requests, 98 were Southend enquiries, 101 were out of Borough.

Processes and procedures are aligning to enable successful sharing of practice and facilities to enable the four already successful schools to further develop and grow. We have made savings with services which include central purchasing of educational psychologists' advice (privately procured, not LA), training, memberships and IT systems and software.

SEN Trust Southend Objectives and Achievements:

- (a) Staff in all schools have met and were included in the development of the MAT values and vision - training days were successful with a number of ideas as to ways forward.
- (b) Specific focus groups have met to discuss practice across the four schools and how ideas can be shared and developed e.g. cross school moderation groups met at least termly, finance teams met every half term and agreed protocols and procedures to enable efficient working.
- (c) Website for the MAT was designed and is now up and running.
- (d) Common site surveys with priorities for development were completed.
- (e) Headteacher recruitment took place and all schools now have Headteachers in place, supported by the Executive Headteacher.
- (f) A school age and places survey is underway to look at future planning and predictions.
- (g) Cross MAT policies are currently being reviewed and agreed by trustees.
- (h) GDPR systems and procedures in place across the MAT.
- (i) All four schools continue to be graded at least 'good' by Ofsted.

In addition, schools within the MAT have also supported a number of local mainstream schools and were involved in offering support and advice on strategies to support pupils within their own schools.

Educational visits to new and exciting places have continued to enhance the curriculum for each school. After school and holiday clubs continue to be very much in demand providing opportunities for families to keep going when the times are difficult.

Due to the level of learning difficulties, none of our pupils follow a standard 'measurable' set of curriculum outcomes which can be compared to other similar provisions. Since the removal of the 'P' levels and descriptors which were introduced by central Government this year of those working below age related expectations, there is no central set of 'outcomes' for our pupils. There is considerable local, regional and national variation about pupils who attend specialist provision and how their Education Health and Care Plans can measure 'successful' outcomes. The schools within SEN Trust Southend have been working and leading on the development of regional expectations of 'progress' from starting point.

Each academy has its own set of 'progress' measures which are discussed with local governing bodies and the MAT trustee board. A lot of work has been undertaken to systematise the rates of progress, but this continues and we await national guidance on how this will be reportable in the future. Each young person has individual targets set and measured annually that are reviewed as part of their Education, Health and Care Plan with parents / carers, school and the Local Authority.

SEN TRUST SOUTHEND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

The trustees, specifically the audit and risk committee, work with the finance officers to ensure there is regular reviews and consistent reports to monitor significant aspects of the multi academy trust's financial operations. All external ESFA returns have been submitted on time - including a 3 year budget forecast return, which in the unknown budgetary situations of special schools funding are difficult to make realistic. In particular, the activities of the respite centre at The St. Christopher School are monitored to ensure that funding for educational purposes is not used for the provision of respite services. During the period under review the respite centre activities made a surplus of £27,186.

The trustees consider the following to be the key performance indicators:

	Year ended 31/8/18	Year ended 31/8/17
Staff costs as a proportion of grant income		
Teaching and educational support staff	67.7%	68.4%
Administrative and support staff	11.3%	12.8%
Total	79.0%	81.2%
Staff costs per pupil	£15,460	£16,633

Overall attendance at the schools during 2017/18 was as follows:

The St. Christopher School	94.9%
Kingsdown School	89.4%
Lancaster School	92.7%
St. Nicholas School	90.5%
MAT average	91.9%

The main focus of the year was to ensure the quality of education provided was the best and reflected in our work with others and recognised by Ofsted. Of the four schools, three are graded as 'good' schools and one is graded as 'outstanding'. Although it was a possibility that two of the schools may be inspected during 2017/18, this did not happen and it is anticipated it will happen next year.

Financial review

Principal funding sources

The multi academy trust's principal funding source is the Education and Skills Funding Agency (ESFA), an agency of the Department for Education.

The majority of this funding is in the form of recurrent grants, the use of which is restricted for particular purposes. As such, grants received from the ESFA and any associated expenditure are included within restricted funds in the Statement of Financial Activities.

The MAT also received grants from the ESFA to be used for capital purposes. These amounts are included within restricted fixed asset funds and any associated expenditure is capitalised in the balance sheet and is presented as fixed assets. The restricted fixed asset fund is reduced by an appropriate depreciation charge calculated in accordance with the academy trust's accounting policies.

The St. Christopher School is also making £500,000 available (from their retained earnings) to schools within the MAT for capital improvement projects.

Reserves policy

It is the policy of the MAT to maintain a level of reserves that is sufficient to mitigate the risks and uncertainties outlined above and also to permit the development of facilities above the capital grant.

SEN TRUST SOUTHEND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Financial review

Investment policy

The multi academy trust aims to manage its cash balances to provide for the day-to-day operations whilst investing surplus cash funds in a responsible manner to maximise returns. During the period, The St. Christopher School invested £1,000,000 in a 12 month high interest deposit account.

Financial report for the period

During the period under review the academy trust had incoming resources totalling £34,307,013 and resources expended totalling £11,464,582 resulting in a surplus before actuarial gains and losses of £22,842,431. The actuarial gain on the Local Government Pension Scheme for the period was £1,509,000 and after taking this into account the net movement in funds for the period was £24,351,431.

At the balance sheet date, the academy trust held fund balances of £37,429,885 which includes £3,763,542 of unrestricted funds.

Going concern

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

Fundraising

Each school raises independent school funds to pay for specific projects or additional activities. These funds are raised through partnerships with parents / carers and do not involve any professional fundraising companies or individuals. They are often through locality groups and other organisations who are aiming to support those with SENs in general or who have a relative attending the school. We have not had any complaints about fundraising activities. We do not specifically 'elicit' funds from external groups, but apply for grants from those who support young people with SENs.

Principal risks and uncertainties

The principal risk for any special school is the uncertainty over pupil numbers and the level of funding from the 'top-up' formula. It remains a difficult process to obtain the correct funding from each Local Authority we deal with, as there are often different ways of payment, times of payment and ways of invoicing for the 'top-up' money for each pupil. Some local authorities pay promptly whereas others can take a year to persuade them to pay. Meanwhile the staffing and facilities for the pupils need to be in place and this requires a reasonable working surplus to enable the school to function. Unfortunately, in 2017/18, our main placing Local Authority applied to the Department for Education for a reduction in their financial commitment to 'top up' funding and all schools across the MAT were subject to a reduction of between 2.7% and 4.1% in real terms. Although the schools have some protection through the minimum funding guarantee (MFG), there is concern that the Local Authority will apply to have the MFG disallowed which means they could reduce top-up funding by any amount. This continues to be a major concern for the MAT.

We will continue to work with our main placing Local Authority regarding their 'banding' of all pupils top-up levels for all four schools. This will no doubt affect the funding for the coming year and budget plans for the future as the High Needs Budget is overspent for the LA and they wish to pass on reductions to the schools. This is despite increased costs to the schools for wages, energy, supplies and all other basic expenditure. We will have to keep higher reserves to cushion the effects for future years.

In addition to the uncertainty of top-up funding in the future, the other principal risk continues to be place funding for each school. For those schools within the MAT who are oversubscribed the additional pupils are not funded fully and have to be managed within the overall funding stream.

Of necessity, the pupil-staff ratio is much higher in a special school. There are always risks and uncertainties regarding staffing. For example, a new pay scale, which took account of the changes for the 'living wage' had implications for all the support staff and the schools' overall wages expenditure and will continue to cause uncertainty for pension deficits and numbers of staff in the future. If there were not reserves then the overall school budget would be compromised as support staff make up a major part of our workforce.

SEN TRUST SOUTHEND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Principal risks and uncertainties

The future development of the MAT in an ever-changing educational landscape is also a concern. The decision to form the MAT, and be a major partner leading the other schools through the process was a very big decision. It was also informed by the local school landscape of over 90% of local schools being part of a MAT and only a few secondary schools being stand-alone academies.

Future plans

The main area of future plans lies within ensuring the fabric of each of the schools within the trust is fit for purpose for the current cohort of children. There needs to be some changes and adaptations of buildings which require capital works to be completed.

Additional plans include:

- (a) consolidating and developing the MAT so that the four schools are working together effectively, with a range of shared services offered to each other and mainstream schools in the area;
- (b) completing and furnishing a business and enterprise centre for all schools to use as appropriate;
- (c) removing 30 year old demountable classrooms and replacing with purpose built attached classrooms for the needs of the students;
- (d) ensuring all roofs are watertight and fit for purpose;
- (e) completing negotiations with the LA over the funding formula and description of each school to stabilise our budget forecasts;
- (f) continuing to develop the assessment systems which we are writing and are being trialled across the eastern region within special schools, moderating the judgements of what is 'good practice', working in association with care services to develop a service for mental health for complex pupils and their families to prevent young people needing to move to costly residential provision; and
- (g) review of staffing structures and responsibilities in line with MAT development.

All of the above plans would need to be financed through the use of reserves as there has been no increase in school budgets to cover the costs of additional staff that are needed to work with additional pupil numbers.

The MAT is also mindful of future increases in pension and other associated costs which are outside the trust's control. Although central government have increased some of the money to cover these items into mainstream schools, there is currently no mechanism for providing the increase to special schools other than the 'top-up' amounts per child. These are not given as extras to the schools and we are expected to reduce or at least stay within these limits.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of SEN Trust Southend are also directors of the charitable company for the purposes of company law. The charitable company is known as SEN Trust Southend.

Details of the trustees who served throughout the period are included within the reference and administrative details.

Members' liability

Every member of the multi academy trust undertakes to contribute such amount as may be required (not exceeding £10) to the academy trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the academy trust's debts and liabilities before he or she ceases to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

Trustees' Indemnities

In accordance with normal commercial practice each academy has purchased insurance to protect the trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The premium for this insurance is included within each academy trust's general insurance premium and is not separately identifiable.

SEN TRUST SOUTHEND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The number of trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The academy trust shall have the following (details have been extracted from the articles of association):

- (a) up to 9 trustees, appointed under Article 50;
- (b) the academy trust may also have any co-opted trustee appointed under Article 58;
- (c) the first trustees shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006;
- (d) future trustees shall be appointed or elected, as the case may be, under the articles of association;
- (e) the members may appoint by ordinary resolution up to 9 trustees; and
- (f) the total number of trustees (including the Chief Executive Officer if they so choose to act as trustee under Article 57) who are employees of the Academy Trust shall not exceed one third of the total number of trustees.

All trustees are expected to undertake training as appropriate to their work at their school. New trustees will be provided with an induction programme as required. Trustee training is reviewed on a regular basis at meetings.

Organisational structure

The trustees are responsible for the general policies of the multi academy trust and the day-to-day running of each school is delegated to the Executive Headteacher, Headteacher / Head of School and the remainder of the Senior Management Team. The day-to-day administration is conducted in accordance with policies and procedures approved by the local governors with only significant matters being referred to trustees for prior approval.

The Executive Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the other Headteachers / Heads of School and members of their Senior Management Team. The Executive Headteacher is an ex-officio trustee and the Principal Accounting Officer and therefore attends all meetings. The Chief Financial Officer is invited to attend trustee meetings as appropriate.

Up to 31 August 2018 the Multi Academy Trust had the following organisation structure:

Level 1	MAT Members
Level 2	MAT Trustees
Level 3	MAT Audit and Risk Committee
Level 4	Local Governing Body
Level 5	Sub-committees of the Local Governing Body
Level 6	Executive Headteacher / Accounting Officer
Level 7	Senior Management Team

Key management remuneration

All personnel at each school have a set pay scale with a number of points, reaching a maximum. Local Government employees have a review in April. School teaching staff have a review in September. Each school complies with their own annual pay policy which is in line with national and local guidelines.

All staff have performance management objectives which they discuss with their performance team leader. The team leaders then make a recommendation to the personnel / staffing committee of the local governing body which then makes a decision whether to endorse the recommendations or not. The exceptions are the Executive Headteacher and Headteacher / Head of School. Headteachers / Heads of School have performance targets set between the Executive Headteacher and local governing body. These are then reviewed throughout the year with a final performance review during the Autumn term. All recommendations for pay increases are subject to the maximum for the job description and pay range of the post. The Executive Headteacher has targets set by the trustees or appointed sub set of trustees. These are gain reviewed by the trustees and subject to decisions within the pay range set for the level of post.

SEN TRUST SOUTHEND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. All members, trustees and governors must complete an expression of interest form at each meeting which declares any possible business connections and conflicts of interest.

Risk management

The trustees have a duty to identify and review the risks to which the multi academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. A risk register is maintained by the trustees / governors and key members of staff and is subject to regular review. All members of staff are aware of the risk management policies of their school and the controls in place to limit exposure to risk.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07973980 (England and Wales)

Registered office

The St Christopher School
Mountdale Gardens
Leigh-on-Sea
Essex
SS9 4AW

SEN TRUST SOUTHEND
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Members

F Hartle (Chair of SEN Trust Southend)
F Colwell
J Cushion
J Gray
C Moss

Trustees

F Hartle	
J Mullan	
R Gerrie	- appointed 1 September 2017
M Wall	- appointed 1 September 2017
K Duddridge	- appointed 1 September 2017
J Oliver	- appointed 1 September 2017
D Burgess	- appointed 1 September 2017
B Levitt	- appointed 1 September 2017
N Hyde	- appointed 1 September 2017

Details of which trustees were members of the audit and risk committee are included in the Governance Statement.

Senior Leadership Team

J Mullan	- Executive Headteacher SEN Trust Southend
B Moss	- Chief Finance Officer SEN Trust Southend
L Brown	- Head of School the St. Christopher School
L Robinson	- Headteacher Kingsdown School
J Mitchell	- Headteacher St. Nicholas School
M Hall	- Headteacher Lancaster School

Independent auditors

Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

Bankers

Lloyds
77 High Street
Southend-on-Sea
Essex
SS1 1HT

AUDITORS

The auditors, Goldwyns Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SEN TRUST SOUTHEND

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on1.7.12.18..... and signed on the board's behalf by:

F Hartle

.....
F Hartle - Trustee

SEN TRUST SOUTHEND
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that SEN Trust Southend 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 of loss.

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Full governing body	Meetings attended	Out of a possible
F Hartle (chairman)	4	4
J Mullan	4	4
N Hyde	4	4
J Oliver	4	4
M Wall	2	4
K Duddridge	4	4
D Burgess	3	4
B Leavitt	4	4
R Gerrie	1	4

Audit and Risk committee	Meetings attended	Out of a possible
N Hyde (chairman)	3	3
B Leavitt	3	3
D Burgess	3	3
J Mullan	3	3

Review of Value for Money

As accounting officer, the Executive Headteacher has responsibility for ensuring that the multi academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer works closely with the trustees, and the audit and risk committee have challenged and reviewed purchases over our set limit on a number of occasions, as can be seen in the minutes of committee meetings. The financial regulations are reviewed and updated to reflect use of technology in purchasing i.e. the use of BACS payments and ParentPay to pay for school services and reduce the amount of overall cash handling.

We began the process of joint purchasing as a MAT. We used the grants given to the three schools converting to academy status to purchase legal advice and were able to use the rest to purchase new consolidated finance packages which came into operation in September 2017.

We have centrally purchased the skills of an education psychologist who works across the four schools at a reduced rate, saving us all money and also offers a more independent service.

SEN TRUST SOUTHEND
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Review of Value for Money

All four schools now access a hugely reduced insurance rate, although each school pays separately. Sourcing value for money saved considerable sums for the three schools converting. We do not benefit from the Department for Education RPA scheme due to the nature of our sites and risks and additional premiums such as vehicle insurance; which we all need due to the SENs of our pupils.

The overall number of pupils placed in the four schools is above those which we receive place funding for and this has implications on the use of resources.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in SEN Trust Southend for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. It was reviewed when the other schools joined the MAT.

Capacity to Handle Risk

The board of trustees have reviewed the key risks to which the multi academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process of identifying, evaluating and managing the MAT's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The multi academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular, it includes:

- (a) comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- (b) regular reviews by the audit and risk committee of reports which indicate financial performance against the forecasts;
- (c) clearly defined purchasing guidelines and procedures;
- (d) delegations of authority and segregation of duties; and
- (e) identification and management of risks.

The board of trustees has considered the needs for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Goldwyns Limited, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the auditor reports to the board of trustees on the operation of the systems of control.

During the period under review, no material control issues arose as a result of the auditor's work.

Review of Effectiveness

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

- (a) the work of the external auditor: and
- (b) the financial management and governance self-assessment process.

SEN TRUST SOUTHEND
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Review of Effectiveness

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and premises committee and a plan to ensure continuous improvement of the systems is in place.

Approved by order of the members of the board of trustees on 17.12.18 and signed on its behalf by:

F Hartle

.....
F Hartle - Trustee

J Mullan

.....
J Mullan - Accounting Officer

SEN TRUST SOUTHEND

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

As accounting officer of SEN Trust Southend I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of 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 2017.

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



.....
J Mullan - Accounting Officer

Date: 17.12.18

SEN TRUST SOUTHEND

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who act as trustees of SEN Trust Southend Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the ESFA, 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 academy trust and of the incoming resources and application of resources, including its income and expenditure, of the academy trust 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 in the Charities SORP (FRS 102) and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust 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 academy trust 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 academy trust'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 board of trustees on17.12.18..... and signed on it's behalf by:



.....
F Hartle - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEN TRUST SOUTHEND

Opinion

We have audited the financial statements of SEN Trust Southend (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEN TRUST SOUTHEND

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

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

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

Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

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 the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Howe BEng FCA (Senior Statutory Auditor)
for and on behalf of Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

Date:19/12/2018.....

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO SEN TRUST SOUTHEND AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 October 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SEN Trust Southend during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of SEN Trust Southend's accounting officer and the reporting auditor

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

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

- checking that the academy trust's activities are consistent with its framework and its charitable objectives;
- checking that trustees and key staff have disclosed their interest in related parties, discussing the same with management and reviewing transactions during the period for undisclosed related party transactions;
- checking that any related party transactions during the period are conducted at normal commercial rates;
- checking that academy trust expenditure is permitted by its funding agreement;
- checking that any extra-contractual payments to staff have been made in accordance with the Academies Handbook;
- checking that any borrowings entered into, including leases, are in accordance with the Academies Handbook;
- checking that any land and building transactions, especially disposals, are in line with the funding agreement and the Academies Handbook;
- checking that any write offs in excess of 1% of total income (or, if less, in excess of £45,000) have been approved by the Secretary of State; and
- checking that procurement activity has been in accordance with Annex 4.4 of Managing Public Money.

**INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO
SEN TRUST SOUTHEND AND THE EDUCATION AND SKILLS FUNDING AGENCY**

Conclusion

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



Robert Howe BEng FCA (Senior Statutory Auditor)
for and on behalf of Goldwyns Limited
Statutory Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex
SS2 6HZ

Date:19/12/2018.....

SEN TRUST SOUTHEND

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	Unrestricted funds £	Restricted funds £	Restricted fixed asset £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	356,912	-	-	356,912	15,963
Transfer from Local Authority on conversion		752,545	(2,483,000)	24,715,572	22,985,117	-
Charitable activities						
Funding for the academy's educational operations	3	-	10,307,116	33,159	10,340,275	4,692,774
Provision of respite activities	24	396,709	-	-	396,709	431,771
Other trading activities	4	365,751	415	-	366,166	158,631
Investment income	5	10,834	-	-	10,834	14,317
Other income		-	(149,000)	-	(149,000)	(71,000)
Total		<u>1,882,751</u>	<u>7,675,531</u>	<u>24,748,731</u>	<u>34,307,013</u>	<u>5,242,456</u>
EXPENDITURE ON						
Raising funds		86,481	52,258	-	138,739	64,836
Charitable activities						
Academy's educational operations		9,691	10,188,633	748,584	10,946,908	4,536,689
Provision of respite activities	24	<u>359,210</u>	<u>19,725</u>	<u>-</u>	<u>378,935</u>	<u>365,972</u>
Total	6	<u>455,382</u>	<u>10,260,616</u>	<u>748,584</u>	<u>11,464,582</u>	<u>4,967,497</u>
NET INCOME/(EXPENDITURE)		1,427,369	(2,585,085)	24,000,147	22,842,431	274,959
Transfers between funds	21	<u>-</u>	<u>(822,957)</u>	<u>822,957</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>1,509,000</u>	<u>-</u>	<u>1,509,000</u>	<u>18,000</u>
Net movement in funds		1,427,369	(1,899,042)	24,823,104	24,351,431	292,959
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>2,336,173</u>	<u>(1,820,807)</u>	<u>12,563,088</u>	<u>13,078,454</u>	<u>12,785,495</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>3,763,542</u></u>	<u><u>(3,719,849)</u></u>	<u><u>37,386,192</u></u>	<u><u>37,429,885</u></u>	<u><u>13,078,454</u></u>

The notes form part of these financial statements

SEN TRUST SOUTHEND
STATEMENT OF FINANCIAL POSITION
AT 31 AUGUST 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	14	37,386,192	12,563,088
CURRENT ASSETS			
Stocks	15	9,630	6,344
Debtors	16	174,864	104,514
Cash at bank and in hand		<u>6,169,019</u>	<u>4,462,761</u>
		6,353,513	4,573,619
CREDITORS			
Amounts falling due within one year	17	(949,820)	(432,253)
NET CURRENT ASSETS		<u>5,403,693</u>	<u>4,141,366</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		42,789,885	16,704,454
PENSION LIABILITY	22	(5,360,000)	(3,626,000)
NET ASSETS		<u><u>37,429,885</u></u>	<u><u>13,078,454</u></u>
FUNDS			
Unrestricted funds	21	3,763,542	2,336,173
Restricted funds		<u>33,666,343</u>	<u>10,742,281</u>
TOTAL FUNDS		<u><u>37,429,885</u></u>	<u><u>13,078,454</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 17.12.18 and were signed on its behalf by:

F. Hartle
 F Hartle -Trustee

J Mullan
 J Mullan -Trustee

The notes form part of these financial statements

SEN TRUST SOUTHEND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	2,479,454	908,426
Interest paid		<u>(343)</u>	<u>(30)</u>
Net cash provided by (used in) operating activities		<u>2,479,111</u>	<u>908,396</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(816,846)	(68,485)
Capital grants from DfE/ESFA		33,159	11,344
Interest received		<u>10,834</u>	<u>14,317</u>
Net cash provided by (used in) investing activities		<u>(772,853)</u>	<u>(42,824)</u>
Change in cash and cash equivalents in the reporting period		1,706,258	865,572
Cash and cash equivalents at the beginning of the reporting period		<u>4,462,761</u>	<u>3,597,189</u>
Cash and cash equivalents at the end of the reporting period		<u>6,169,019</u>	<u>4,462,761</u>

The notes form part of these financial statements

SEN TRUST SOUTHEND

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

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	22,842,431	274,959
Adjustments for:		
Depreciation	732,584	286,873
Capital grants from DfE/ESFA	(33,159)	(11,344)
Transfer from Local Authority on conversion	(22,232,572)	-
Interest received	(10,834)	(14,317)
Interest paid	343	30
Net interest on pension scheme liability	149,000	71,000
Pension administration expenses	1,000	-
Donated fixed asset	(23,270)	-
Increase in stocks	(3,286)	(1,210)
(Increase)/decrease in debtors	(70,350)	6,300
Increase in creditors	517,567	62,135
Difference between pension charge and cash contributions	<u>610,000</u>	<u>234,000</u>
Net cash provided by (used in) operating activities	<u><u>2,479,454</u></u>	<u><u>908,426</u></u>

SEN TRUST SOUTHEND

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

SEN Trust Southend meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees assess whether the use of going concern is appropriate, that is 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.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received 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 period 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 it is probable that the income will be received and the amount can be measured reliably.

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

SEN TRUST SOUTHEND

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

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Costs of charitable activities are 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.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirement, including audit, strategic management and trustees' meetings.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings, they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Tangible fixed assets

Assets costing £5,000 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, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset and on a basis consistent with the academy trust's depreciation policies.

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

- Freehold buildings	Straight line over 50 years and straight line over 10 years
- Long leasehold	Straight line over 50 years
- Improvements to property	Straight line over 10 years
- Fixtures, fittings and equipment	20% reducing balance
- Motor vehicles	25% reducing balance
- Computer equipment	Straight line over 3 years

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

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

SEN TRUST SOUTHEND

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

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at fair value through net income/expenditure. Prepayments are not financial instruments.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at fair value through net income/expenditure. 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.

Stocks

Unsold uniform stocks and catering stocks are valued at the lower of cost and net realisable value.

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over the 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 quinquennial valuations and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 the operating surplus are the current service costs and gains and losses on settlements and curtailments. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

SEN TRUST SOUTHEND

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Donations	<u>356,912</u>	<u>-</u>	<u>356,912</u>	<u>15,963</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
DfE/ESFA revenue grant				
General Annual Grant (GAG)	-	4,824,277	4,824,277	2,166,771
Pupil Premium	-	286,418	286,418	128,420
Year 7 Catch Up grant	-	19,834	19,834	9,333
PE Teachers grant	-	33,860	33,860	8,490
Multi-Academy Trust grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
	-	5,164,389	5,164,389	2,388,014
DfE/ESFA capital grant				
EFA Capital Grant	-	33,159	33,159	11,344
Other government grant				
Local Authority grants	-	5,076,211	5,076,211	2,232,460
Autistic Spectrum Disorder (ASD) training grant	-	49,167	49,167	45,192
Other government grants	<u>-</u>	<u>17,349</u>	<u>17,349</u>	<u>15,764</u>
	-	<u>5,142,727</u>	<u>5,142,727</u>	<u>2,293,416</u>
	<u>-</u>	<u>10,340,275</u>	<u>10,340,275</u>	<u>4,692,774</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Uniform income	7,238	-	7,238	6,745
Hire of facilities	142,710	-	142,710	38,958
Catering income	53,995	-	53,995	23,629
Training income	24,833	-	24,833	21,231
Extended school income	110,519	-	110,519	36,155
Other income	<u>26,456</u>	<u>415</u>	<u>26,871</u>	<u>31,913</u>
	<u>365,751</u>	<u>415</u>	<u>366,166</u>	<u>158,631</u>

SEN TRUST SOUTHEND

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

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Deposit account interest	<u>10,834</u>	<u>-</u>	<u>10,834</u>	<u>14,317</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	2018 Total £	2017 Total £
Raising funds					
Costs of fundraising					
Direct costs	-	-	4,018	4,018	56
Costs incurred by trading for a fundraising purpose					
Direct costs	-	-	134,721	134,721	64,780
Charitable activities					
Academies educational operations					
Direct costs	8,352,278	556,150	463,911	9,372,339	3,843,999
Allocated support costs	376,114	385,889	812,566	1,574,569	692,690
Provision of respite activities					
Allocated support costs	<u>336,419</u>	<u>30,082</u>	<u>12,434</u>	<u>378,935</u>	<u>365,972</u>
	<u>9,064,811</u>	<u>972,121</u>	<u>1,427,650</u>	<u>11,464,582</u>	<u>4,967,497</u>

Net income/(expenditure) is stated after charging/(crediting):

	2018 £	2017 £
Auditors' remuneration	19,250	10,000
Auditors' remuneration for non-audit work	6,405	3,775
Depreciation - owned assets	732,584	286,873
Operating lease rentals	<u>13,179</u>	<u>4,861</u>

SEN TRUST SOUTHEND

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

7. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Direct costs - academy's educational operations	1,748	9,370,591	9,372,339	3,843,999
Support costs - academy's educational operations	7,943	1,566,626	1,574,569	692,690
Support costs - provision of respite activities	<u>359,210</u>	<u>19,725</u>	<u>378,935</u>	<u>365,972</u>
	<u><u>368,901</u></u>	<u><u>10,956,942</u></u>	<u><u>11,325,843</u></u>	<u><u>4,902,661</u></u>

	Academy's educational operations £	Provision of respite activities £	Teaching schools £	2018 Total £	2017 Total £
Analysis of support costs					
Support staff costs	376,114	336,419	-	712,533	629,084
Depreciation	6,134	-	-	6,134	6,494
Technology costs	21,147	-	-	21,147	32,751
Premises costs	385,889	30,082	-	415,971	159,345
Other support costs	759,630	12,434	-	772,064	217,213
Governance costs	<u>25,655</u>	<u>-</u>	<u>-</u>	<u>25,655</u>	<u>13,775</u>
Total support costs	<u><u>1,574,569</u></u>	<u><u>378,935</u></u>	<u><u>-</u></u>	<u><u>1,953,504</u></u>	<u><u>1,058,662</u></u>

Included within governance costs are costs associated with the strategic as opposed to day-to-day management of the academy's activities. These include costs relating to statutory requirements including audit and preparation of statutory accounts.

8. SUPPORT COSTS

	Management £	Other £	Governance costs £	Totals £
Academy's educational operations	1,531,514	17,400	25,655	1,574,569
Provision of respite activities	<u>378,935</u>	<u>-</u>	<u>-</u>	<u>378,935</u>
	<u><u>1,910,449</u></u>	<u><u>17,400</u></u>	<u><u>25,655</u></u>	<u><u>1,953,504</u></u>

Included within governance costs are costs associated with the strategic as opposed to day-to-day management of the academy's activities. These include costs relating to statutory requirements including audit and preparation of statutory accounts.

SEN TRUST SOUTHEND

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

9. TRUSTEES' REMUNERATION AND BENEFITS

The principal only receives remuneration in respect of services they provide undertaking the roles of principal and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees. The value of trustees' remuneration (including employers pension contributions) during their appointment as trustee for the year ended 31 August 2018 was as follows:

J Mullan (Principal and Trustee):

Remuneration £100,000 - £110,000 (2017: £95,000 - £100,000)

Employer's pension contributions £15,000 - £20,000 (2017: £15,000 - £20,000)

Trustees' expenses

During the period ended 31 August 2018, no expenses were paid to trustees for carrying out their duties as trustees.

SEN TRUST SOUTHEND

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

10. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	6,626,398	3,066,530
Social security costs	574,249	256,515
Operating costs of defined benefit pension schemes	1,796,040	719,861
Apprenticeship levy	<u>17,412</u>	<u>186</u>
	9,014,099	4,043,092
Supply teacher costs	14,780	-
Agency costs	<u>35,932</u>	<u>-</u>
	<u><u>9,064,811</u></u>	<u><u>4,043,092</u></u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2018	2017
Teaching staff	80	46
Educational support staff	196	78
Administrative and support staff	<u>62</u>	<u>30</u>
	<u><u>338</u></u>	<u><u>154</u></u>

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

	2018	2017
£60,001 - £70,000	3	1
£70,001 - £80,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	<u>1</u>	<u>-</u>
	<u><u>6</u></u>	<u><u>2</u></u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for the members of staff amounted to £74,297 (2017: £27,206).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £580,882 (2017: £690,582).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect the trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The premium for this insurance is included within the academy trust's general insurance premium and is not separately identifiable.

SEN TRUST SOUTHEND

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Restricted fixed asset £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	15,963	-	-	15,963
Charitable activities				
Funding for the academy's educational operations	-	4,681,430	11,344	4,692,774
Provision of respite activities	431,771	-	-	431,771
Other trading activities	158,631	-	-	158,631
Investment income	14,317	-	-	14,317
Other income	-	(71,000)	-	(71,000)
Total	620,682	4,610,430	11,344	5,242,456
EXPENDITURE ON				
Raising funds	64,345	491	-	64,836
Charitable activities				
Academy's educational operations	10,840	4,256,735	269,114	4,536,689
Provision of respite activities	336,911	11,301	17,760	365,972
Total	412,096	4,268,527	286,874	4,967,497
NET INCOME/(EXPENDITURE)	208,586	341,903	(275,530)	274,959
Transfers between funds	(13,930)	(43,212)	57,142	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	18,000	-	18,000
Net movement in funds	194,656	316,691	(218,388)	292,959
RECONCILIATION OF FUNDS				
Total funds brought forward	2,141,517	(2,137,498)	12,781,476	12,785,495
TOTAL FUNDS CARRIED FORWARD	<u>2,336,173</u>	<u>(1,820,807)</u>	<u>12,563,088</u>	<u>13,078,454</u>

SEN TRUST SOUTHEND

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

13. CENTRAL SERVICES

The academy trust has provided central services to its academies during the year, including the provision of executive and support staff, staff training, legal and audit services and funding MAT start up costs.

The academy trust charges for these services by charging a 'top-slice' based on each school's income.

The actual amounts charged during the year were as follows:

	2018 £'000
St Christopher School	61
Kingsdown School	36
St Nicholas Secondary School	21
Lancaster School	<u>22</u>
Total before fixed assets and pension reserve	<u>140</u>

SEN TRUST SOUTHEND

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

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Improvements to property £
COST			
At 1 September 2017	12,713,484	-	681,672
Additions	645,129	43,335	65,581
Transfer on conversion	-	<u>24,672,000</u>	-
At 31 August 2018	<u>13,358,613</u>	<u>24,715,335</u>	<u>747,253</u>
DEPRECIATION			
At 1 September 2017	740,885	-	278,919
Charge for year	<u>143,126</u>	<u>424,290</u>	<u>70,312</u>
At 31 August 2018	<u>884,011</u>	<u>424,290</u>	<u>349,231</u>
NET BOOK VALUE			
At 31 August 2018	<u>12,474,602</u>	<u>24,291,045</u>	<u>398,022</u>
At 31 August 2017	<u>11,972,599</u>	-	<u>402,753</u>

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 September 2017	369,067	86,430	265,308	14,115,961
Additions	10,830	66,822	8,419	840,116
Transfer on conversion	-	<u>43,572</u>	-	<u>24,715,572</u>
At 31 August 2018	<u>379,897</u>	<u>196,824</u>	<u>273,727</u>	<u>39,671,649</u>
DEPRECIATION				
At 1 September 2017	253,349	61,559	218,161	1,552,873
Charge for year	<u>25,309</u>	<u>33,817</u>	<u>35,730</u>	<u>732,584</u>
At 31 August 2018	<u>278,658</u>	<u>95,376</u>	<u>253,891</u>	<u>2,285,457</u>
NET BOOK VALUE				
At 31 August 2018	<u>101,239</u>	<u>101,448</u>	<u>19,836</u>	<u>37,386,192</u>
At 31 August 2017	<u>115,718</u>	<u>24,871</u>	<u>47,147</u>	<u>12,563,088</u>

15. STOCKS

	2018 £	2017 £
Stocks	<u>9,630</u>	<u>6,344</u>

SEN TRUST SOUTHEND

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

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	53,635	89,576
VAT	17,012	3,095
Prepayments and accrued income	<u>104,217</u>	<u>11,843</u>
	<u>174,864</u>	<u>104,514</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	119,291	14,105
Social security and other taxes	137,886	20,845
Other creditors	584,008	291,453
Accruals and deferred income	<u>108,635</u>	<u>105,850</u>
	<u>949,820</u>	<u>432,253</u>

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	13,179	4,823
Between one and five years	<u>21,373</u>	<u>4,823</u>
	<u>34,552</u>	<u>9,646</u>

19. MEMBERS' LIABILITY

Every member of the academy trust undertakes to contribute such amount as may be required (not exceeding £10) to the academy trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the academy trust's debts and liabilities before he or she ceases to be a member, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted fixed asset	2018 Total funds
	£	£	£	£
Fixed assets	-	-	37,386,192	37,386,192
Current assets	3,965,992	2,387,521	-	6,353,513
Current liabilities	(202,450)	(747,370)	-	(949,820)
Pension liability	-	(5,360,000)	-	(5,360,000)
	<u>3,763,542</u>	<u>(3,719,849)</u>	<u>37,386,192</u>	<u>37,429,885</u>

SEN TRUST SOUTHEND

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

	Unrestricted funds	Restricted funds	Restricted fixed asset £	2017 Total funds £
Fixed assets	-	-	12,563,088	12,563,088
Current assets	2,477,147	2,096,472	-	4,573,619
Current liabilities	(140,974)	(291,279)	-	(432,253)
Pension liability	-	(3,626,000)	-	(3,626,000)
	<u>2,336,173</u>	<u>(1,820,807)</u>	<u>12,563,088</u>	<u>13,078,454</u>

21. MOVEMENT IN FUNDS

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted funds				
General fund	1,979,840	1,400,183	-	3,380,023
Respite centre	<u>356,333</u>	<u>27,186</u>	-	<u>383,519</u>
	2,336,173	1,427,369	-	3,763,542
Restricted funds				
Restricted fixed asset	12,563,088	24,000,147	822,957	37,386,192
General Annual Grant (GAG)	1,762,297	799,174	(962,889)	1,598,582
Pension reserve	(3,626,000)	(1,734,000)	-	(5,360,000)
MAT	<u>42,896</u>	<u>(141,259)</u>	<u>139,932</u>	<u>41,569</u>
	10,742,281	22,924,062	-	33,666,343
TOTAL FUNDS	<u>13,078,454</u>	<u>24,351,431</u>	<u>-</u>	<u>37,429,885</u>

SEN TRUST SOUTHEND

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

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,480,362	(80,179)	-	1,400,183
Respite centre	402,389	(375,203)	-	27,186
	<u>1,882,751</u>	<u>(455,382)</u>	-	<u>1,427,369</u>
Restricted funds				
Restricted fixed asset	24,748,731	(748,584)	-	24,000,147
General Annual Grant (GAG)	4,898,309	(4,099,135)	-	799,174
Special Schools Top Up Funding	4,972,599	(4,972,599)	-	-
Pension reserve	(2,632,000)	(611,000)	1,509,000	(1,734,000)
SEN training grants	49,167	(49,167)	-	-
Looked After Children	17,349	(17,349)	-	-
Year 7 Catch Up	19,834	(19,834)	-	-
Pupil Premium	286,418	(286,418)	-	-
PE Teachers	33,860	(33,860)	-	-
MAT	415	(141,674)	-	(141,259)
SLA	29,580	(29,580)	-	-
	<u>32,424,262</u>	<u>(11,009,200)</u>	<u>1,509,000</u>	<u>22,924,062</u>
TOTAL FUNDS	<u><u>34,307,013</u></u>	<u><u>(11,464,582)</u></u>	<u><u>1,509,000</u></u>	<u><u>24,351,431</u></u>

Comparatives for movement in funds

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
Unrestricted Funds				
General fund	1,854,291	125,549	-	1,979,840
Respite centre	287,226	83,037	(13,930)	356,333
	<u>2,141,517</u>	<u>208,586</u>	<u>(13,930)</u>	<u>2,336,173</u>
Restricted Funds				
Restricted fixed asset	12,781,476	(275,530)	57,142	12,563,088
General Annual Grant (GAG)	1,201,502	604,007	(43,212)	1,762,297
Pension reserve	(3,339,000)	(287,000)	-	(3,626,000)
MAT	-	42,896	-	42,896
	<u>10,643,978</u>	<u>84,373</u>	<u>13,930</u>	<u>10,742,281</u>
TOTAL FUNDS	<u><u>12,785,495</u></u>	<u><u>292,959</u></u>	<u><u>-</u></u>	<u><u>13,078,454</u></u>

SEN TRUST SOUTHEND

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

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	186,386	(60,837)	-	125,549
Respite centre	434,296	(351,259)	-	83,037
	620,682	(412,096)	-	208,586
Restricted funds				
Restricted fixed asset	11,344	(286,874)	-	(275,530)
General Annual Grant (GAG)	2,166,771	(1,562,764)	-	604,007
Special Schools Top Up Funding	2,208,784	(2,208,784)	-	-
Pension reserve	(71,000)	(234,000)	18,000	(287,000)
SEN training grants	45,192	(45,192)	-	-
Year 7 Catch Up	9,333	(9,333)	-	-
Pupil Premium	128,420	(128,420)	-	-
PE Teachers	8,490	(8,490)	-	-
MAT	75,000	(32,104)	-	42,896
SLA	39,440	(39,440)	-	-
	4,621,774	(4,555,401)	18,000	84,373
TOTAL FUNDS	<u>5,242,456</u>	<u>(4,967,497)</u>	<u>18,000</u>	<u>292,959</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted funds				
General fund	1,854,291	1,525,732	-	3,380,023
Respite centre	287,226	110,223	(13,930)	383,519
Restricted funds				
Restricted fixed asset	12,781,476	23,724,617	880,099	37,386,192
General Annual Grant (GAG)	1,201,502	1,403,181	(1,006,101)	1,598,582
Pension reserve	(3,339,000)	(2,021,000)	-	(5,360,000)
MAT	-	(98,363)	139,932	41,569
	10,643,978	23,008,435	13,930	33,666,343
TOTAL FUNDS	<u>12,785,495</u>	<u>24,644,390</u>	<u>-</u>	<u>37,429,885</u>

SEN TRUST SOUTHEND

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

21. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,666,748	(141,016)	-	1,525,732
Respite centre	836,685	(726,462)	-	110,223
	<u>2,503,433</u>	<u>(867,478)</u>	-	<u>1,635,955</u>
Restricted funds				
Restricted fixed asset	24,760,075	(1,035,458)	-	23,724,617
General Annual Grant (GAG)	7,065,080	(5,661,899)	-	1,403,181
Special Schools Top Up Funding	7,181,383	(7,181,383)	-	-
Pension reserve	(2,703,000)	(845,000)	1,527,000	(2,021,000)
SEN training grants	94,359	(94,359)	-	-
Looked After Children	17,349	(17,349)	-	-
Year 7 Catch Up	29,167	(29,167)	-	-
Pupil Premium	414,838	(414,838)	-	-
PE Teachers	42,350	(42,350)	-	-
MAT	75,415	(173,778)	-	(98,363)
SLA	69,020	(69,020)	-	-
	<u>37,046,036</u>	<u>(15,564,601)</u>	<u>1,527,000</u>	<u>23,008,435</u>
TOTAL FUNDS	<u><u>39,549,469</u></u>	<u><u>(16,432,079)</u></u>	<u><u>1,527,000</u></u>	<u><u>24,644,390</u></u>

SEN TRUST SOUTHEND

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

21. MOVEMENT IN FUNDS - continued

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

Unrestricted funds

These funds are to be used for the furtherance of any of the academy trust's charitable objectives and can be used at the trustees' discretion.

General Annual Grant (GAG)

These funds are to be used in accordance with the academy trust's funding agreement with the Secretary of State. The academy trust was not subject to a limit on the amount of GAG that it could carry forward at the balance sheet date.

Restricted Fixed Asset fund

This fund represents capital funding to be used for capital purposes less any depreciation charges on such expenditure.

Pension Deficit

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

Transfers between funds

A transfer between the General Annual Grant fund and the Restricted Fixed Asset fund totalling £822,957 was made during the period. This transfer was used to fund the difference between capital grants received and capital expenditure.

A transfer between the General Annual Grant fund and the MAT fund totalling £139,932 was made during the period. This transfer represents the funding of Central Services.

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	2018 £'000
St Christopher School	4,040
Kingsdown School	486
St Nicholas Secondary School	480
Lancaster School	356
Central services	42
	<hr/>
Total before fixed assets and pension reserve	5,404
	<hr/>
Restricted fixed assets	37,386
Pension reserve	(5,360)
	<hr/>
Total	37,430
	<hr/>

SEN TRUST SOUTHEND

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

21. MOVEMENT IN FUNDS - continued

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total £'000
St Christopher School	3,836	54	211	662	4,763
Kingsdown School	1,945	24	86	512	2,567
St Nicholas Secondary School	1,282	33	97	212	1,624
Lancaster School	1,208	51	66	295	1,620
Central services	107	-	-	35	142
Academy Trust	<u>8,378</u>	<u>162</u>	<u>460</u>	<u>1,716</u>	<u>10,716</u>

Transfer from Local Authority on conversion

On 1 September the Kingsdown School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to SEN Trust Southend Academy Trust from the Southend on Sea Local Authority for £nil consideration.

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

The following table sets out the identifiable assets and liabilities transferred from the Local Authority and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
- Leasehold property	-	-	10,918	10,918
- Motor vehicle	-	-	12	12
Current assets				
- Cash representing budget surplus on LA funds	171	-	-	171
- VAT debtor	16	-	-	16
Current liabilities				
- Expense accrual	(16)	-	-	(16)
LGPS pension deficit	-	(1,449)	-	(1,449)
Net assets (liabilities)	<u>171</u>	<u>(1,449)</u>	<u>10,930</u>	<u>9,652</u>

SEN TRUST SOUTHEND

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

21. MOVEMENT IN FUNDS - continued

On 1 September the St Nicholas School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to SEN Trust Southend Academy Trust from the Southend on Sea Local Authority for £nil consideration.

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

The following table sets out the identifiable assets and liabilities transferred from the Local Authority and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
- Leasehold property	-	-	6,179	6,179
- Motor vehicle	-	-	10	10
Current assets				
- Cash representing budget surplus on LA funds	357	-	-	357
- VAT debtor	5	-	-	5
LGPS pension deficit	-	(414)	-	(414)
Net assets (liabilities)	<u>362</u>	<u>(414)</u>	<u>6,189</u>	<u>6,137</u>

On 1 September the Lancaster School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to SEN Trust Southend Academy Trust from the Southend on Sea Local Authority for £nil consideration.

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

The following table sets out the identifiable assets and liabilities transferred from the Local Authority and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	Total £'000
Tangible fixed assets				
- Leasehold property	-	-	7,575	7,575
- Motor vehicle	-	-	22	22
Current assets				
- Cash representing budget surplus on LA funds	212	-	-	212
- VAT debtor	7	-	-	7
LGPS pension deficit	-	(620)	-	(620)
Net assets (liabilities)	<u>219</u>	<u>(620)</u>	<u>7,597</u>	<u>7,196</u>

SEN TRUST SOUTHEND

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

22. PENSION AND SIMILAR OBLIGATIONS

Teachers' pension scheme

Introduction

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.

Valuation of the Teachers' Pension Scheme

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

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

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

The total contribution made for the year ended 31st August 2018 was £762,000 (2017: £357,000). The employer's pension costs paid to TPS in the period amounted to £480,000 (2017: £227,000).

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.

SEN TRUST SOUTHEND

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

**22. PENSION AND SIMILAR OBLIGATIONS
- continued**

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2018 was £849,000 (2017: £336,000), of which employer's contributions totalled £676,000 (2017: £259,000) and employees' contributions totalled £173,000 (2017: £77,000). The agreed contribution rates for future years are 12.5% for employers and 5 - 12.5% for employees.

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

DEFINED BENEFIT SCHEME

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(9,560,000)	(5,319,000)
Fair value of plan assets	<u>4,200,000</u>	<u>1,693,000</u>
	<u>(5,360,000)</u>	<u>(3,626,000)</u>
Deficit	<u>(5,360,000)</u>	<u>(3,626,000)</u>
Liability	<u>(5,360,000)</u>	<u>(3,626,000)</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Current service cost	1,286,000	493,000
Interest cost	241,000	102,000
Interest income	(92,000)	(31,000)
Administration expense	1,000	-
Upon conversion	<u>2,483,000</u>	<u>-</u>
	<u>3,919,000</u>	<u>564,000</u>
Actual return on plan assets	<u>221,000</u>	<u>205,000</u>

SEN TRUST SOUTHEND

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

**22. PENSION AND SIMILAR OBLIGATIONS
- continued**

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Defined benefit obligation	5,319,000	4,591,000
Current service cost	1,286,000	493,000
Contributions by scheme participants	173,000	77,000
Interest cost	241,000	102,000
Upon conversion	3,929,000	-
Estimated benefits paid net of transfers in	(8,000)	(19,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	-	134,000
Experience (gains)/losses on defined benefit obligation	-	144,000
Change in financial assumption	<u>(1,380,000)</u>	<u>(203,000)</u>
	<u>9,560,000</u>	<u>5,319,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Fair value of scheme assets	1,693,000	1,252,000
Interest income	92,000	31,000
Upon conversion	1,446,000	-
Contributions by employer	676,000	259,000
Contributions by scheme participants	173,000	77,000
Administration expenses	(1,000)	-
Actuarial gains/(losses)	-	(81,000)
Benefits paid	(8,000)	(19,000)
Return on plan assets (excluding interest income)	<u>129,000</u>	<u>174,000</u>
	<u>4,200,000</u>	<u>1,693,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	-	(134,000)
Experience (gains)/losses on defined benefit obligation	-	(144,000)
Change in financial assumption	1,380,000	203,000
Return on plan assets (excluding interest income)	129,000	174,000
Actuarial gains/(losses)	<u>-</u>	<u>(81,000)</u>
	<u>1,509,000</u>	<u>18,000</u>

SEN TRUST SOUTHEND

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

**22. PENSION AND SIMILAR OBLIGATIONS
- continued**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
Equities	64%	65%
Gilts	5%	6%
Other bonds	6%	4%
Property	9%	10%
Cash	3%	3%
Alternative assets	9%	8%
Other managed funds	4%	4%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2018	2017
RPI increases	3.3%	3.6%
Salary increases	3.8%	4.2%
Pension increases	2.3%	2.7%
Discount rate	2.7%	2.6%
Inflation assumption (CPI)	2.3%	2.7%

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

The academy trust's share of the assets and liabilities in the scheme and expected rate of returns were as follows:

	Fair value at 31/08/18 £	Fair value at 31/08/17 £
Equities	2,675,000	1,105,000
Gilts	224,000	105,000
Other bonds	246,000	66,000
Property	374,000	164,000
Cash	143,000	52,000
Alternative assets	377,000	129,000
Other managed funds	<u>161,000</u>	<u>72,000</u>
Total market value of assets	4,200,000	1,693,000

The actual return on the fund assets was £221,000 (2017: £205,000).

Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and the projected services cost along a +/- one year age rating adjustment to the mortality assumption.

SEN TRUST SOUTHEND

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

22. PENSION AND SIMILAR OBLIGATIONS - continued

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	9,262,000	9,560,000	9,868,000
Projected service cost	1,080,000	1,114,000	1,150,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	8,585,000	9,560,000	9,515,000
Projected service cost	1,114,000	1,114,000	1,114,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	9,824,000	9,560,000	9,305,000
Projected service cost	1,150,000	1,114,000	1,080,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	9,867,000	9,560,000	9,262,000
Projected service cost	1,149,000	1,114,000	1,081,000

DEFINED CONTRIBUTION SCHEME

Contributions amounting to £139,819 were payable to the schemes at 31 August 2018 (2017: £53,138) and are included within creditors.

23. RELATED PARTY DISCLOSURES

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

Income Related Party Transaction

During the year N Hyde, a trustee of the academy trust, self funded a 106 mile walk around the South West Coast Path. Funds raised by N Hyde totalled £2,200 and these were donated to the academy trust.

SEN TRUST SOUTHEND

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

24. ACADEMY RESPITE TRADING ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	2018 £	2017 £
Income		
Respite income	396,709	431,771
Respite donations	<u>5,680</u>	<u>2,525</u>
	402,389	434,296
 Expenditure		
Provisions, social skills and events	17,743	15,982
Support staff costs	314,944	302,246
Transfer from fixed asset fund	-	13,930
Recruitment and support	5,430	1,359
Maintenance of premises and equipment	2,201	7,507
Cleaning	18,334	8,983
Utilities	11,659	7,917
Insurance	767	881
Security and transport	1,062	1,101
Other support costs	<u>3,063</u>	<u>5,283</u>
 Total operating costs	 378,935	 365,972
	<hr/>	<hr/>
 Net surplus on respite	 27,186	 69,107
 Surplus brought forward	 356,333	 287,226
	<hr/>	<hr/>
 Surplus carried forward	 <u>383,519</u>	 <u>356,333</u>