

Company Registration Number: 07681226 (England & Wales)

SOUTH ESSEX ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

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SOUTH ESSEX ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Howard Sellick Darren Stoner Julie Mulcahy John Cahalane
Directors	Simon Harbrow, CEO ¹ Dominic Carver Christopher Jones, Vice Chair and Chair of Finance Committee ¹ Catherine Burnside Julie Mulcahy, Chair ¹ Simon Hayward ¹ ¹ Member of the Finance, Risk and Audit Committee
Company registered number	07681226
Company name	South Essex Academy Trust
Principal and registered office	Westwood Academy Beresford Close Hadleigh Benfleet Essex SS7 2SU
Company secretary	Catherine Barratt
Senior management team	S Harbrow, CEO J Archer, Head of Westwood C Stalham, Head of Winter Gardens M Clarke, Head of Parkwood D Dry, Head of Bardfield G Thurston, Head of Kents Hill Infants C Sellick, Trust CFO G Cahalane, Head of HR
Independent auditors	MWS Chartered Accountants Registered Auditors Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE
Bankers	Lloyds Bank PLC 211 London Road Hadleigh Essex SS7 2RD

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Solicitors

Essex County Council, Legal Services
County Hall
Market Road
Chelmsford
CM1 1QH

SOUTH ESSEX ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a Trustees' report under company law.

The trust operates five primary academies in the Benfleet, Canvey Island, Basildon and Chelmsford areas of Essex. Its academies have a combined pupil capacity of 1530 excluding nursery places and had a roll of 1429 in the school census in January 2022.

Structure, governance and management

a. Constitution

The multi academy trust is a charitable company limited by guarantee and an exempt charity incorporated by a Memorandum of Association on 24 June 2011, amended 10 November 2014, 30 June 2015 and 21 March 2016.

The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust.

The Trustees of South Essex Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as South Essex Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

The principal object of the multi academy trust is to run primary schools for boys and girls located in South East Essex.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The recruitment and appointment of Trustees is the responsibility of the Members of the South Essex Academy Trust.

The members may appoint up to 10 Trustees.

The Chair of the Board annually reviews and recommends the mix of skills and experience that should be available to the Board. New Trustees are sought to enhance the Boards' skill base, particularly where certain skills and experience may be limited, either as additional Trustees or as part of the Boards succession plan. Recruitment of Trustees is via various methods from advertising, networking, referral and through recruitment organisations like Academy Ambassadors.

Trustees' appointment to the Board will be for a term of four years, at which time they may be eligible for re-election for a further term of four years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

Trustee induction and training is determined by a skills audit and annual self-evaluation. The skills audit helps the Trust to identify and assess the skills required in the future, understand the skills the Board of Trustees has, who has them and identify what may be missing. Skills gaps inform the personal and collective development needs of Trustees and the Board together with an Annual Self Evaluation of Board Effectiveness, used to inform the training and development strategy for the Trust.

e. Organisational structure

The Trust is overseen by the Board of Trustees which has a Finance, Risk & Audit sub committee. From September 2021 we introduced further sub-committees, Standards and HR & Pay, formed to support the Board. The Board of Trustees have the responsibility for setting and monitoring the overall strategic direction of the charitable trust together with the appointment of key members of staff.

In September 2021 each setting setup an Academy Committee. This comprised of parents, staff and independent members with a clerk. They meet at least four times a year. A scheme of delegation showing the decisions that must be approved by the Trust Board, Academy Committee and those which can either be approved or co-authorised by the CEO, or sub committees has been implemented and approved by the Trust Board. This will be reviewed annually.

The Chief Executive Officer is the appointed Accounting Officer. The Trust's secretary and clerking is supplied at cost to the Trust by Schools Choice.

The Board of Trustees meet at least six times a year. The agenda for these meetings includes standing items relating to each of the schools in the Academy Trust including compliance, finance, teaching and learning, health and safety, and safeguarding.

The Finance, Risk & Audit committee meets at least five times a year to set and propose the budget, monitor the budget and scrutinise the annual accounts. The Board also receives regular reports from the CFO and the Finance Director maintains an ongoing monitoring role.

Essex County Council conducts extensive internal audits, ICE, Internal Controls Evaluation, to ensure robust internal systems and processes and to enable the Board to have a complete oversight of risk and finance.

The CEO, who is accountable to the Trust Board, is responsible for the day-to-day management of the Trust with responsibilities that include establishing and supporting the central services team which consists of Finance, HR, Premises and Health and Safety, along with senior leadership teams in each academy.

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

A panel of the Board of Directors is delegated to carry out the performance management of the CEO. Recommendations are proposed by the panel to the full Board when setting, or awarding any increase to, the pay and remuneration of these senior leaders. The CEO is not part of any decision relating to their own pay.

The CEO is responsible for the Headteachers at each academy. The Department for Education guidance 'The National Standards of Excellence for Headteachers' and the 'Leadership Group Pay Range' from the most recent 'School Teachers' Pay and Conditions Document' are taken as a guide for both setting performance objectives and pay and remuneration levels.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

g. Related parties and other connected charities and organisations

With the exception of Trustee remuneration, the Trust did not transact with any related parties during the year under review.

h. Engagement with employees (including disabled persons)

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

The multi academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

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

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

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

i. Trade union facility time

There were no members of staff who were recognised union officials and no time was spent on union activities during the year.

Objectives and activities

a. Objects and aims

The multi academy trust objects ("Objects") are specifically restricted to the following:

- i) 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 schools offering a broad and balanced curriculum ("The Academies");
- ii) To promote for the benefit of the inhabitants of the surrounding areas of the Academies the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.
- iii) To promote in the area in which the Academies are situated the physical, intellectual and social development of primarily but not exclusively children under five especially those who are socially and economically disadvantaged.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Objectives, strategies and activities

The Directors vision is to help children and staff to flourish through partnership and collaboration building on the strengths of each Academy. This will be accomplished through the core values of:

COLLABORATION

Interdependence whenever it will benefit everyone

INNOVATION

Embracing new ways of working that benefits everyone

PERSEVERANCE

Committed to the best outcomes for everyone

CHALLENGE

Open to the views and needs of everyone

The Academy Trust's commitment to the vision can be seen through our approach; all children are treated as individuals; there is no "one size fits all" approach. Personalising learning is our aim, giving children the education they need and want. Learning is active, hands-on, engaging and fun.

We strive for our children to:

- Respect themselves in the community seeking to have a positive impact on others;
- Be polite, calm, caring, honest, trustworthy and helpful;
- Be responsible, independent and supportive of each other;
- Be tolerant and open minded and not prejudiced;
- Be determined to have a strong work ethic;
- Have good communication skills; and
- Strive for high achievement standards.

We encourage the children to:

- Develop their own emotional, spiritual and cultural awareness with due regard to British Values;
- Not to be involved in bullying, racism or any forms of harassment;
- To achieve outstanding results in Early Years, key stage one and key stage two;
- Achieve well regardless of their ability, background, gender or ethnicity;
- Understand and respect others feelings, values and beliefs; and
- Be enterprising and willing to take responsibility.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

c. Public benefit

The Trustees have taken the Charity Commissioners specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this annual report.

In accordance with its charitable objectives, the Charitable Company strives to advance the education of the pupils attending each Academy. The Charitable Company's primary beneficiaries are therefore the pupils, and benefits to pupils provided through continuing to maintain a high standard of education throughout each Academy.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit (including the guidance 'Public benefit: running a charity (PB2)') when reviewing the Academy Trust's objectives and aims in planning future activities for the period. Trustees consider that the Academy Trust's aims are demonstrably to the public benefit.

Strategic report

Achievements and performance

a. Key performance indicators

Outcomes 2022:

KS1	Reading	Writing	Maths	Phonics	GLD
2019	75	69	76	82	
2022	67	57	67	75	65
Bardfield	70	58	68	62	54
Kents Hill	70	47	53	63	66
Parkwood	54	46	75	73	74
Westwood	77	67	77	84	83
Winter Gardens	75/23	60/9	67/21	71	65

KS2	Reading	Writing	Maths	GPS	C
2019	73	78	79	78	65
2022	74	69	71	72	59
Bardfield	77/20	64/16	61/16	71/20	50
Parkwood	72/24	53/10	66/10	69/24	55
Westwood	75/19	75	66/16	69/25	56
Winter Gardens	52/17	66/14	52/6	52/11	45/3

The SAT's reflect the last three years of disruption. There is strong performance in all settings and where it was not the settings used the governments tutoring and extra funding to support pupils.

Throughout the year the Trust continued to use the termly single plan, continuous monitoring by the Executive Headteacher, Directors and leadership team members from each Academy as part of our Peer Review Strategy, and externally commissioned experts, together with planned continued professional development which supported the school's improvement at all levels despite the lockdowns.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Reserves policy

The Directors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The Directors intend to review the reserves policy annually to ensure that this aim can be achieved.

At the balance sheet date, the Trust had free reserves of £713,671, restricted reserves of £226,292, restricted fixed assets reserves of £14,867,859 and a pension deficit of £1,406,000. The Trust has a financial liability to repay its shares of the LGPS pension deficit.

The Directors intend to utilise these reserves in the near future in line with the objectives of the Academies Development Plans and termly Single plans.

b. Investment policy

The Directors' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the Trust that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The Trusts' current policy is to invest surplus fund in short-term cash deposits.

For the period ended 31 August 2022, the Trust's cash balances generated an average income return of less than 0.25%pa.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particularly those related to the operations and finances of the multi academy trust, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The Trustees have compiled a risk register which summarises the level of risk and associated control measure including the transfer of risk by using insurance policies. The major risks examined and covered the following areas:

- teaching and learning
- facilities
- operating
- financial systems and practices.

The risk register is reviewed regularly at Directors' Board meetings.

The Academy Trust uses systems, procedures and internal controls in order to minimise risk which are externally monitored.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

d. Financial Review

Most of the Trust's income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academies also receive grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2022, total expenditure of £9,821,141 was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the period was £657,889. This figure includes accounting provisions such as depreciation charges of fixed assets and provisions provided by the actuary concerning the cost of servicing the trusts share of the LGPS liability.

At 31 August 2022 the net book value of fixed assets was £14,062,911. Movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Essex County Council Local Government Pension Fund, in which the Academies participate, showed a deficit of £1,406,000 at 31 August 2022.

The Academy held fund balances at 31 August 2022 of £14,401,822 comprising £13,688,151 of restricted funds and £713,671 of unrestricted general funds. Of the restricted funds £14,867,859 is represented by tangible fixed assets and £226,292 by unspent grants carried forward. The pension reserve which is considered part of restricted funds was £1,406,000 in deficit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Financial KPI's

Financial KPI's – SEAT 2021-22 Accounts

	21/22	20/21	19/20
Total GAG Income	6,330,508	6,009,233	5,796,726
Total Government Income	8,317,651	8,018,632	7,659,955
Total Trust Income	8,715,486	8,212,626	7,915,744
Total Staff Costs	7,995,427	7,469,624	7,120,036
Less Service Charges	-1,381,000	-1,116,000	-904,000
ERS Contributions	558,000	512,000	457,000
Adjusted Staff Costs	7,172,427	6,865,624	6,673,036
Total Staff Costs against GAG Funding %	113.3	114.2	115.4
Total Staff Costs against total Government Funding %	86.2	85.6	87.1
Total Staff Costs against total Trust Income %	82.3	83.6	84.3
Pupil to Teacher Ratio	19.57	19.85	22.05
Average Teacher Cost	£49,496	£50,652	£52,442
Curriculum Resources Spend per Pupil	£284	£219	£192
Spend on Teaching as % of total spend	42.0	44.6	44.7
Spend on Supply as % of total spend	0.4	0.0	1.0
Spend on Educational Support Staff as % of total spend	24.9	23.9	23.3
Spend on Admin/Clerical as % of total spend	9.4	9.7	9.3
Spend on Premises (incl staff) as % of total spend	8.8	8.7	8.2
Spend on Learning & Development as % of total spend	0.4	0.4	0.3
Spend on Curriculum Resources as % of total spend	4.7	3.8	3.6
Total Reserves - Year End	939,963	833,066	686,960
Total Reserves as % of current GAG Budget	15	14	12
Total Reserves as % of current Total Budget	11	10	9

The Trust's target is for staffing costs to be at or below 85% of total Government Funding. For the year to 31 August 2022, the trust achieved a staffing cost against total Government Funding of 86%.

Ongoing staffing reviews are performed to ensure staffing is kept at the optimum level to provide a quality teaching provision for our children. The target will be reviewed to determine if this is a reasonable target going forward.

SOUTH ESSEX ACADEMY TRUST**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022****Fundraising**

The Trust only use techniques that they would be happy to be used on themselves. In doing so, the Trust will adhere to the following standards:

- Fundraising activities carried out by SEAT will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- We do not carry out any cold calling or buy telephone data to call members of the public.
- All monies raised via fundraising activities will be for the stated purpose of the appeal
- We will always respect the supporters' wish to make a restricted donation to a specific programme, e.g. purchase of a particular resource or service
- All personal information collected by SEAT is confidential and is not for sale or to be given away or disclosed to any third party without consent. Please see our Privacy Policy for further information.
- Nobody directly or indirectly employed by or volunteering for SEAT shall accept commissions, bonuses or payments for fundraising activities on behalf of the Trust.
- Fundraising activities will not be undertaken if they could be detrimental to the good name or community standing of any of the SEAT schools.
- Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical and which are not an attempt to link a donation to an attempt to influence the policy or activities of SEAT either explicitly or implicitly.

Plans for future periods

The Board is committed to continuing discussions with the Regional Schools Commissioner with a view to expanding the Academy Trust by at least a further two academies. The aim is to bring into the Academy Trust at least one academy with an Ofsted category of Good or better, or anticipating such a judgment with the evidence to support the view. This will add capacity to the Academy Trust and enable further educational improvements across all the schools. This will also provide further financial resources to the Academy Trust.

The Academy Trust supports the senior leaders in developing interdependence in accordance with Trust values detailed above. The significant benefits of this approach financially, for continued professional development and school improvement are recognised and remain a priority.

The strategic plan of the academy Trust includes:

- To implement a variety of strategies to ensure that our pupils are academically and emotionally ready for learning following COVID-19
- To deliver the full foundation curriculum that is set out in each school's intent which results in 90% of pupils working at the expected level
- Leaders of subjects are able to identify strengths and weaknesses and are beginning to address them
- Training for subject leaders is effective in supporting their role through school and Trust CPD
- To focus on reading so that by year 2 90% of pupils are at the expected level
- To have robust and effective strategies and provision in place so that the bottom 20% of readers are improving and the number of them are reducing
- School Improvement strategy of 'peer to peer' review is implemented in all Trust schools and impacts positively on teaching and learning
- Statutory tests in GLD, Phonics, Reading, Writing and Maths begin to recover from the 2019 baseline
- Nursery at Kents Hill opened in January 2022 and at least breaks even providing 28 places for younger children
- Procedures and resources to address the needs of SEND pupils is rapid and effective
- Training for Academy Committees members help them hold the school to account

These aims, based upon the successes of the recent past, will be achieved through the experienced leadership of the CEO, continuous monitoring (externally and internally); and enabling the expertise in each academy to provide support and development for all the academies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods (continued)

All financial resources are allocated by a robust system of conversations led by the CEO with senior leaders and based upon agreed priorities for each academy. The Finance Committee of the Board scrutinise the specific needs for staffing levels and other commitments through the budget setting process and the Board monitors the use of the budget throughout the year.

Funds held as custodian on behalf of others

There are no such funds held by the Academy Trust.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2022 and signed on its behalf by:

Julie Mulcahy - Chair of Trustees

Julie Mulcahy
Chair of Trustees

Simon Harbrow

Simon Harbrow
Accounting Officer

SOUTH ESSEX ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between South Essex Academy Trust 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 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Simon Harbrow, CEO	6	6
Dominic Carver	5	6
Christopher Jones, Vice Chair and Chair of Finance Committee	5	6
Catherine Burnside	6	6
Julie Mulcahy, Chair	6	6
Simon Hayward	4	6

The Trust has a Conflicts of Interests Policy that is reviewed annually. Conflicts of interests are managed by:

- Completing a register of interests annually
- Maintaining and updating the register when trustees advise of any changes in circumstance
- Ensuring declarations of interest are made before each meeting
- The register is published on the trust website
- Where a conflict arises during a decision making process the individual involved will be removed from the process and a decision made depending on the seriousness of the conflict
- Any conflicts arising during the procurement and pay processes are covered in the Trust's Financial Regulations

The Board of Trustees continues to function effectively as a group of education professionals. They constantly keep their performance under review and in particular focus on this at an annual leadership away day with senior leaders from the Academies in February. The strategic focus of the Board's work is decided annually with a 3 year plan that is reviewed and RAG rated annually.

The Finance, Rsk and Audit Committee is a sub-committee of the main board of Trustees. Its purpose is to monitor and set budgetary performance.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Simon Harbrow	5	5
Christopher Jones	5	5
Julie Mulcahy	5	5
Simon Hayward	5	5

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the CEO 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 considers how the multi academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

Review for the Year Ending 31 August 2022

The nursery at Kents Hill Infant Academy opened in January 2022 and this has been very well received in the local community. Our pupil numbers have gone from strength to strength and the nursery is now full. We have invested in resources throughout the year as well as recruiting and retaining high quality staff to manage the provision.

The trust has implemented Peer Review as a school improvement strategy. This strategy focuses on processes and reviewing current practices with a view to improving where necessary. It also develops the CDP knowledge and skills of our middle and senior leaders.

We were successful in a number of CIF bids during the year and have been fortunate to improve our school sites across the trust. All projects we successfully managed and came in either within or under budget where we were able to identify any cost savings. Improvements include replacement boilers, electrical redistribution works, new doors and windows and legionella works.

This has been the first un-disrupted year since the beginning of the COVID pandemic and we have successfully re-introduced a number of school trips and visits as well as welcoming parents and visitors back into our settings. Our fundraising activities have re-commenced and we have run a number of successful events such as fetes, school discos, shopping evenings, etc which has helped to supplement our spending on additional resources for our pupils.

New Initiatives

The trust is considering implementing more central services, such as teaching and TA staffing pools to address cover and absence trust wide rather than by individual school. We expect these initiatives to recognise cost savings across the schools and further analysis is underway regarding the logistics and feasibility. We are also working towards a central premises and grounds maintenance team to reduce spending on external contractors and to improve the quality of service to our schools.

We are looking at ways to provide alternative provision within our settings for our high needs children to allow us to enhance and improve our SEN provision.

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 multi 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 South Essex Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The board of Trustees has 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 for identifying, evaluating and managing the multi academy trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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:

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

The Board of Trustees has decided to buy-in an internal audit service from Juniper Education.

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

- Review of governance and financial management
- Review of banking procedures
- Review of payroll
- Review of income
- Review of assets
- Review of procurement

On a termly basis, the reviewer reports to the board of Trustees through the finance, risk and audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Juniper Education delivered the requisite works during the year and there were no material deficiencies in the controls in place within the academy.

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Review of effectiveness

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

- the work of the reviewer;
- the work of the executive managers within the multi academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on their behalf by:

Julie Mulcahy – Chair of Trustees

Julie Mulcahy
Chair of Trustees

Simon Harbrow

Simon Harbrow
Accounting Officer

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of South Essex Academy Trust I have considered my responsibility to notify the multi academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the multi academy trust, under the funding agreement in place between the multi 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 2021.

I confirm that I and the multi academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2021.

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.

Simon Harbrow

Simon Harbrow
Accounting Officer
Date: 14 December 2022

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on its behalf by:

Julie Mulcahy - Chair of Trustees

Julie Mulcahy
Chair of Trustees

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH ESSEX ACADEMY TRUST

Opinion

We have audited the financial statements of South Essex Academy Trust (the 'multi academy trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the multi academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH ESSEX ACADEMY TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the multi 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 multi academy trust or to cease operations, or have no realistic alternative but to do so.

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH ESSEX ACADEMY TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks applicable to the Academy Trust and the industry in which it operates. We determined that the following laws and regulations were most significant:

The Companies Act 2006, Safeguarding (including statutory guidance Keeping Children Safe in Education), employment law and public sector pay and conditions. We enquired of management to obtain an understanding of how the Academy Trust is complying with those legal and regulatory frameworks and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes for the year. We did not identify any matters relating to material non compliance with laws and regulation or matters in relation to fraud;

- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures;
- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including its objectives and strategies to understand the expected financial statement disclosures and business risks that may result in risks of material misstatement;
- In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - the specialist skills required and
 - knowledge of the industry in which the client operates.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular manual journal entries made at year end for financial statement preparation; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

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

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH ESSEX ACADEMY TRUST (CONTINUED)

Use of our report

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

Clive Smith

Clive Smith FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants

Registered Auditors

Kingsridge House

601 London Road

Westcliff-on-Sea

Essex

SS0 9PE

Date: 16 December 2022

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH
 ESSEX ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Essex Academy Trust during the year 1 September 2021 to 31 August 2022 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 South Essex Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South Essex Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than South Essex Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of South Essex Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of South Essex Academy Trust's funding agreement with the Secretary of State for Education dated July 2014 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

Reporting Accountant

MWS
Chartered Accountants

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

19 December 2022

Date:

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants:	3					
Other donations and capital grants		122,541	-	447,766	570,306	545,255
Other trading activities		274,962	-	-	274,962	129,337
Investments	6	332	-	-	332	246
Charitable activities		-	8,317,651	-	8,317,651	8,018,632
Total income		397,835	8,317,651	447,766	9,163,252	8,693,470
Expenditure on:						
Charitable activities	8	-	9,459,744	361,397	9,821,141	9,092,048
Total expenditure		-	9,459,744	361,397	9,821,141	9,092,048
Net income/ (expenditure)		397,835	(1,142,093)	86,369	(657,889)	(398,578)
Transfers between funds	20	(326,344)	241,519	84,825	-	-
Net movement in funds before other recognised gains/(losses)		71,491	(900,574)	171,194	(657,889)	(398,578)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	6,447,000	-	6,447,000	(119,000)
Net movement in funds		71,491	5,546,426	171,194	5,789,111	(517,578)
Reconciliation of funds:						
Total funds brought forward		642,180	(6,726,134)	14,696,665	8,612,711	9,130,289
Net movement in funds		71,491	5,546,426	171,194	5,789,111	(517,578)
Total funds carried forward		713,671	(1,179,708)	14,867,859	14,401,822	8,612,711

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

The notes on pages 29 to 59 form part of these financial statements.

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07681226

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	14,062,911	14,174,669
		<u>14,062,911</u>	<u>14,174,669</u>
Current assets			
Debtors	16	1,074,348	760,001
Cash at bank and in hand		1,397,086	1,254,029
		<u>2,471,434</u>	<u>2,014,030</u>
Creditors: amounts falling due within one year	17	(704,032)	(629,647)
Net current assets		<u>1,767,402</u>	<u>1,384,383</u>
Total assets less current liabilities		<u>15,830,313</u>	<u>15,559,052</u>
Creditors: amounts falling due after more than one year	18	(22,491)	(29,341)
Net assets excluding pension liability		<u>15,807,822</u>	<u>15,529,711</u>
Defined benefit pension scheme liability	28	(1,406,000)	(6,917,000)
Total net assets		<u><u>14,401,822</u></u>	<u><u>8,612,711</u></u>
Funds of the multi academy trust			
Restricted funds:			
Fixed asset funds	20	14,867,859	14,696,665
Restricted income funds	20	226,292	190,866
		<u>15,094,151</u>	<u>14,887,531</u>
Restricted funds excluding pension asset	20	15,094,151	14,887,531
Pension reserve	20	(1,406,000)	(6,917,000)
Total restricted funds	20	<u>13,688,151</u>	<u>7,970,531</u>
Unrestricted income funds	20	713,671	642,180
Total funds		<u><u>14,401,822</u></u>	<u><u>8,612,711</u></u>

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07681226

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 25 to 59 were approved by the Trustees, and authorised for issue on 14 December 2022 and are signed on their behalf, by:

Julie Mulcahy - Chair of Trustees

Simon Harbrow

Julie Mulcahy
Chair of Trustees

Simon Harbrow
Accounting Officer

The notes on pages 29 to 59 form part of these financial statements.

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	22	209,305	17,200
Cash flows from investing activities	24	(61,515)	56,968
Cash flows from financing activities	23	(4,733)	12,828
Change in cash and cash equivalents in the year		143,057	86,996
Cash and cash equivalents at the beginning of the year		1,254,029	1,167,033
Cash and cash equivalents at the end of the year	25, 26	1,397,086	1,254,029

The notes on pages 29 to 59 from part of these financial statements

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the multi academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.3 Income (continued)

- **Transfer of existing academies into the multi academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the multi academy trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the multi academy trust. An equal amount of income is recognised for the transfer of an existing academy into the multi academy trust within 'Income from Donations and Capital Grants' to the net assets acquired.

1.4 Expenditure

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

- **Charitable activities**

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

- **Grants payable**

These are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.6 Interest receivable

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

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.7 Taxation

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

1.8 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 45 years straight line
Long-term leasehold property	- 50/45/15 years straight line
Furniture and equipment	- 25% straight line
Computer equipment	- 33% straight line
Assets under construction	- See below

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

SOUTH ESSEX ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.11 Liabilities

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

1.12 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the multi academy trust's wholly owned subsidiary are held at face value less any impairment.

1.13 Operating leases

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

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

1.14 Pensions

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

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

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

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

1.15 Fund accounting

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations				
Donations	63,240	-	63,240	34,549
Educational trips and visits	59,301	-	59,301	29,863
	122,541	-	122,541	64,412
Capital Grants	-	447,766	447,766	480,843
	-	447,766	447,766	480,843
	122,541	447,766	570,307	545,255
Total 2021	64,412	480,843	545,255	

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4. Funding for the multi academy trust's charitable activities

	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Educational Operations			
DfE/ESFA grants			
General Annual Grant (GAG)	6,330,508	6,330,508	6,009,233
Other DfE/ESFA grants			
UIFSM	192,665	192,665	247,360
Pupil Premium	671,695	671,695	628,983
Other	259,313	259,313	423,604
	<hr/> 7,454,181	<hr/> 7,454,181	<hr/> 7,309,180
Other Government grants			
Local Authority Grants	723,682	723,682	593,612
	<hr/> 723,682	<hr/> 723,682	<hr/> 593,612
COVID-19 additional funding (DfE/ESFA)			
DfE/ESFA COVID-19 Funding	139,788	139,788	115,840
	<hr/> 139,788	<hr/> 139,788	<hr/> 115,840
	<hr/> 8,317,651	<hr/> 8,317,651	<hr/> 8,018,632
	<hr/> 8,317,651	<hr/> 8,317,651	<hr/> 8,018,632
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2021</i>	<hr/> <hr/> 8,018,632	<hr/> <hr/> 8,018,632	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Hire of facilities	17,168	17,168	8,366
Catering income	86,192	86,192	61,531
Services provided	8,382	8,382	8,004
School sales	2,823	2,823	3,223
Fundraising activities	95,649	95,649	48,213
Consultancy income	64,748	64,748	-
	<u>274,962</u>	<u>274,962</u>	<u>129,337</u>
<i>Total 2021</i>	<u>129,337</u>	<u>129,337</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment income	332	332	246
	<u>332</u>	<u>332</u>	<u>246</u>
<i>Total 2021</i>	<u>246</u>	<u>246</u>	

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	<i>Total 2021 £</i>
Educational Operations:					
Direct costs	5,170,564	-	372,347	5,542,911	5,271,647
Allocated support costs	2,824,863	751,939	701,429	4,278,231	3,820,401
	<u>7,995,427</u>	<u>751,939</u>	<u>1,073,776</u>	<u>9,821,142</u>	<u>9,092,048</u>
<i>Total 2021</i>	<u>7,469,624</u>	<u>772,113</u>	<u>850,311</u>	<u>9,092,048</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Expenditure (continued)

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Total 2022 £	<i>Total 2021 £</i>
Educational Operations	9,821,141	9,821,141	9,092,048
	<hr/>	<hr/>	<hr/>
<i>Total 2021</i>	9,092,048	9,092,048	
	<hr/>	<hr/>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Educational Operations	5,542,911	4,278,231	9,821,142	9,092,048
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2021</i>	5,271,647	3,820,401	9,092,048	
	<hr/>	<hr/>	<hr/>	

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

Analysis of direct costs

	Educational Operations 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	5,170,564	5,170,564	5,006,293
Technology costs	2,879	2,879	6,013
Educational supplies	275,168	275,168	157,704
Staff development	18,869	18,869	31,237
Educational consultancy	75,431	75,431	70,400
	<u>5,542,911</u>	<u>5,542,911</u>	<u>5,271,647</u>
<i>Total 2021</i>	<u><u>5,271,647</u></u>	<u><u>5,271,647</u></u>	

Analysis of support costs

	Educational Operations 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Net pension finance charge	109,000	109,000	93,000
Staff costs	2,824,864	2,824,864	2,463,331
Depreciation	361,397	361,397	364,795
Technology costs	75,870	75,870	73,247
Maintenance of premises	111,826	111,826	147,628
Cleaning	99,333	99,333	100,519
Rent and rates	53,596	53,596	54,351
Energy costs	117,775	117,775	104,820
Insurance	32,020	32,020	29,989
Security and transport	13,969	13,969	13,183
Catering	232,192	232,192	177,388
Bank interest and charges	5,166	5,166	3,759
Legal and professional fees	98,371	98,371	65,121
Other support costs	142,852	142,852	129,270
	<u>4,278,231</u>	<u>4,278,231</u>	<u>3,820,401</u>
<i>Total 2021</i>	<u><u>3,820,401</u></u>	<u><u>3,820,401</u></u>	

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

Analysis of support costs (continued)

During the year ended 31 August 2022, the multi academy trust incurred the following Governance costs: £17,330 (2021 - £16,500) included within the table above in respect of Educational Operations.

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Operating lease rentals	-	7,748
Depreciation of tangible fixed assets	369,409	364,795
Fees paid to auditors for:		
- audit	7,875	7,500
- other services	9,455	9,000
	<u>7,875</u>	<u>9,000</u>

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	5,480,352	5,273,958
Social security costs	451,152	426,443
Pension costs	2,028,487	1,754,997
	<u>7,959,991</u>	<u>7,455,398</u>
Agency staff costs	35,436	3,527
Staff restructuring costs	-	10,699
	<u>7,995,427</u>	<u>7,469,624</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Redundancy payments	-	10,699
	<u>-</u>	<u>10,699</u>

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11. Staff (continued)

b. Staff numbers

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

	2022 No.	<i>2021 No.</i>
Management	6	6
Teachers	72	70
Administration	206	198
	284	274

c. Higher paid staff

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

	2022 No.	<i>2021 No.</i>
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	1	1

d. Key management personnel

The key management personnel of the multi academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £757,261 (2021 £734,796).

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12. Central services

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

- Software licenses
- Shared staff

The multi academy trust charges for these services on the following basis:

Each Academy is charged 8% of GAG funding.

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
Westwood Academy	70,267	67,500
Parkwood Academy	73,404	69,016
Winter Gardens Academy	126,069	126,529
Bardfield Academy	151,767	139,955
Kents Hill Infant Academy	84,960	77,738
Total	506,467	480,738

13. Trustees' remuneration and expenses

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

		2022	2021
		£	£
Simon Harbrow, CEO	Remuneration	100,000 -	100,000 -
		105,000	105,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000

During the year, retirement benefits were accruing to 1 Trustees (2021 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2022, expenses totalling £158 were reimbursed or paid directly to 1 Trustee (2021 - £96 to 1 Trustee). Expenditure incurred related to meeting and travel costs.

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the multi academy trust has purchased insurance to protect 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 and the cost for the year ended 31 August 2022 is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Assets under constructio n £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2021	2,330,165	13,496,554	-	1,763,761	580,102	18,170,582
Additions	35,892	64,279	106,490	20,764	22,213	249,638
At 31 August 2022	<u>2,366,057</u>	<u>13,560,833</u>	<u>106,490</u>	<u>1,784,525</u>	<u>602,315</u>	<u>18,420,220</u>
Depreciation						
At 1 September 2021	400,720	1,332,641	-	1,717,274	545,278	3,995,913
Charge for the year	47,942	269,664	-	22,897	20,893	361,396
At 31 August 2022	<u>448,662</u>	<u>1,602,305</u>	<u>-</u>	<u>1,740,171</u>	<u>566,171</u>	<u>4,357,309</u>
Net book value						
At 31 August 2022	<u>1,917,395</u>	<u>11,958,528</u>	<u>106,490</u>	<u>44,354</u>	<u>36,144</u>	<u>14,062,911</u>
At 31 August 2021	<u>1,929,445</u>	<u>12,163,914</u>	<u>-</u>	<u>46,487</u>	<u>34,823</u>	<u>14,174,669</u>

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2022 £	2021 £
Freehold land	120,000	120,000
Long-term leasehold land	1,453,600	1,453,600
	<u>1,573,600</u>	<u>1,573,600</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	20,395	6,725
Other debtors	47,872	47,877
Prepayments and accrued income	1,006,081	705,399
	<u>1,074,348</u>	<u>760,001</u>

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	5,234	3,116
Trade creditors	99,058	130,879
Other taxation and social security	102,415	102,368
Other creditors	133,672	132,638
Accruals and deferred income	363,653	260,646
	<u>704,032</u>	<u>629,647</u>

	2022 £	2021 £
Deferred income at 1 September 2021	181,054	185,910
Resources deferred during the year	191,144	181,054
Amounts released from previous periods	(181,054)	(185,910)
	<u>191,144</u>	<u>181,054</u>

The deferred income at 31 August 2022 is made up of the following:

UIFSM Funding £114,326
Trip Income £4,107
Nursery Funding £69,460
Other Small £3,250

18. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	22,491	29,341

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The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2022 £	2021 £
Payable or repayable by instalments	4,734	10,526
	<u>4,734</u>	<u>10,526</u>

The Other loans balance totalling £27,725 at 31 August 2022 represents loans which are provided on the following terms:

£7,405 being a 0% Salix loan repayable over an 8 year period for both roofing and window replacement at Kents Hill Infant Academy.

£5,000 being a 0% Salix loan repayable over an 8 year period for classroom rebuild at Westwood Academy.

£7,500 being a 0% Salix loan repayable over an 8 year period for boiler replacement works at Parkwood Academy.

£7,819 being a 0% Salix loan repayable over an 8 year period for roofing works at Winter Gardens Academy.

19. Transfers between funds

Funds have been transferred in respect of the following:

£326,344 has been transferred from the unrestricted fund to the restricted fund for the General Annual Grant (GAG) representing unrestricted funds reallocated for restricted purposes.

£17,579 has been transferred from the unrestricted fund to the restricted fund for Central funds representing unrestricted funds reallocated for restricted purposes.

£558,000 has been transferred from the restricted fund for the General Annual Grant (GAG) into the restricted fund for the Pension Reserve representing the employer contributions to the deficit.

£82,218 has been transferred from the restricted fund for the General Annual Grant (GAG) to the restricted fixed asset fund representing fixed assets purchased from GAG reserves.

£506,467 has been transferred from the restricted fund for General Annual Grant (GAG) to the restricted fund for Central funds to represent the topslice paid by each academy.

£186,051 has been transferred out of the restricted fixed asset fund for ESFA capital grants to the restricted fixed asset fund for Tangible fixed assets representing the spending of this grant income on tangible fixed assets.

£2,617 has been transferred out of the restricted fund for General Annual Grant (GAG) to the restricted fixed asset fund representing loan repayments made using GAG funding.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Unrestricted funds	642,180	397,835	-	(326,344)	-	713,671
Restricted general funds						
General Annual Grant	96,835	6,330,508	(5,464,440)	(841,294)	-	121,609
Central Funds	(3,602)	-	(522,196)	522,697	-	(3,101)
Other DfE/ESFA Grants	-	451,977	(451,977)	-	-	-
Pupil Premium	107,152	671,695	(663,660)	-	-	115,187
Local Authority Grants	-	247,874	(247,874)	-	-	-
Nursery	-	475,808	(475,808)	-	-	-
Salix Loan	(9,519)	-	-	2,116	-	(7,403)
Coronavirus Exceptional Support	-	139,789	(139,789)	-	-	-
Pension reserve	(6,917,000)	-	(1,494,000)	558,000	6,447,000	(1,406,000)
	<u>(6,726,134)</u>	<u>8,317,651</u>	<u>(9,459,744)</u>	<u>241,519</u>	<u>6,447,000</u>	<u>(1,179,708)</u>
Restricted fixed asset funds						
Inherited Fixed Assets	12,105,090	-	(270,787)	-	-	11,834,303
Tangible Fixed Assets	2,069,578	-	(90,610)	249,639	-	2,228,607
ESFA Capital Grants	544,934	447,766	-	(167,431)	-	825,269
Capital Loans	(22,937)	-	-	2,617	-	(20,320)
	<u>14,696,665</u>	<u>447,766</u>	<u>(361,397)</u>	<u>84,825</u>	<u>-</u>	<u>14,867,859</u>
Total Restricted funds	<u>7,970,531</u>	<u>8,765,417</u>	<u>(9,821,141)</u>	<u>326,344</u>	<u>6,447,000</u>	<u>13,688,151</u>
Total funds	<u>8,612,711</u>	<u>9,163,252</u>	<u>(9,821,141)</u>	<u>-</u>	<u>6,447,000</u>	<u>14,401,822</u>

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20. Statement of funds (continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the ESFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy.

The Other government and DfE/ESFA grants fund has been created to recognise the restricted grant funding received from the DfE/ESFA and Local Authority which fall outside the scope of core funding.

The pupil premium reserve has been created to recognise pupil premium funding received from the DfE/ESFA.

The pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Capital expenditure from the GAG fund has been created to reflect the value of tangible fixed assets purchased from GAG funding.

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority which represent the school site inherited from the local authority including the leasehold land and buildings and all material items of plant and machinery therein. Depreciation charged on those inherited assets is allocated to this fund.

The DfE/ESFA capital grant funds have been created to recognise the capital grants received from the purpose of the acquisition of tangible fixed assets. Expenditure made from this fund is transferred to the capital expenditure from grants fund. Depreciation relating to these assets has been allocated to this fund.

The Donations for capital expenditure fund has been created to recognise other income received for the purpose of the acquisition of tangible fixed assets. Expenditure made from this fund is transferred to the capital expenditure from grants fund. Depreciation relating to these assets has been allocated to this fund.

The nursery fund has been created to recognise income and expenditure relating to the provision of nursery services.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds						
Unrestricted funds	522,742	193,995	-	(74,557)	-	642,180
Restricted general funds						
General Annual Grant	75,872	6,009,233	(5,027,239)	(961,031)	-	96,835
Central Funds	(2,905)	-	(481,880)	481,183	-	(3,602)
Other DfE/ESFA Grants	-	670,964	(670,964)	-	-	-
Pupil Premium	102,886	628,982	(624,716)	-	-	107,152
Local Authority Grants	-	226,244	(226,244)	-	-	-
Nursery	-	367,369	(367,369)	-	-	-
Salix Loan	(11,635)	-	-	2,116	-	(9,519)
Coronavirus Exceptional Support	-	115,840	(115,840)	-	-	-
Pension reserve	(6,097,000)	-	(1,213,000)	512,000	(119,000)	(6,917,000)
	<u>(5,932,782)</u>	<u>8,018,632</u>	<u>(8,727,252)</u>	<u>34,268</u>	<u>(119,000)</u>	<u>(6,726,134)</u>
Restricted fixed asset funds						
Inherited Fixed Assets	12,378,866	-	(273,776)	-	-	12,105,090
Tangible Fixed Assets	1,608,193	-	(91,019)	552,404	-	2,069,578
ESFA Capital Grants	561,262	480,843	-	(497,171)	-	544,934
Capital Loans	(7,992)	-	(1)	(14,944)	-	(22,937)
	<u>14,540,329</u>	<u>480,843</u>	<u>(364,796)</u>	<u>40,289</u>	<u>-</u>	<u>14,696,665</u>
Total Restricted funds	<u>8,607,547</u>	<u>8,499,475</u>	<u>(9,092,048)</u>	<u>74,557</u>	<u>(119,000)</u>	<u>7,970,531</u>

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20. Statement of funds (continued)

Total funds	<u>9,130,289</u>	<u>8,693,470</u>	<u>(9,092,048)</u>	<u>-</u>	<u>(119,000)</u>	<u>8,612,711</u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Westwood Academy	207,676	166,001
Parkwood Academy	20,612	93,872
Winter Gardens Academy	160,134	133,400
Bardfield Academy	704,860	549,104
Kents Hill Infant Academy	(150,220)	(105,729)
Central fund	(3,099)	(3,602)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	939,963	833,046
Restricted fixed asset fund	14,867,859	14,696,665
Pension reserve	(1,406,000)	(6,917,000)
	<hr/>	<hr/>
Total	14,401,822	8,612,711
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Kents Hill Infant Academy	150,220
Central Fund	3,101
	<hr/> <hr/>

The in-year deficit at Kents Hill to 31/8/22 was approx. £44K. The deficit comprises of the following:

- £15K overspend on unfunded/unbudgeted support staff pay increases
- £31K overspend on staffing (SEN pupils requiring 1-2-1 in advance of EHCP's being agreed, along with an underpayment from ECC of £16K which is being chased)

The multi academy trust is taking the following action to return the academies to surplus:

The Trust does not expect the school to return to surplus position until at least 2023/24. However this may now be longer depending on the support from the government regarding energy and staffing pay increases. Without further financial support, the Trust will be implementing further staffing restructures and redundancies to reduce the staffing costs in the school.

The small central deficit has reduced marginally this year and the trust will continue to implement cost savings to central services to eliminate this completely.

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

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Westwood Academy	616,674	513,948	51,032	123,187	1,304,841	1,185,552
Parkwood Academy	755,138	406,580	31,893	174,595	1,368,206	1,231,882
Winter Gardens Academy	1,178,779	771,118	95,433	208,776	2,254,106	2,150,047
Bardfield Academy	1,320,554	791,192	148,547	266,596	2,526,889	2,363,389
Kents Hill Infant Academy	837,446	450,285	42,298	153,477	1,483,506	1,314,503
Central services	461,971	738	3,146	56,341	522,196	481,880
Multi academy trust	5,170,562	2,933,861	372,349	982,972	9,459,744	8,727,253

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	14,062,911	14,062,911
Current assets	724,545	921,622	825,267	2,471,434
Creditors due within one year	(10,874)	(690,041)	(3,117)	(704,032)
Creditors due in more than one year	-	(5,289)	(17,202)	(22,491)
Provisions for liabilities and charges	-	(1,406,000)	-	(1,406,000)
Total	713,671	(1,179,708)	14,867,859	14,401,822

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

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	-	14,174,669	14,174,669
Current assets	642,180	826,918	544,932	2,014,030
Creditors due within one year	-	(628,647)	(1,000)	(629,647)
Creditors due in more than one year	-	(7,405)	(21,936)	(29,341)
Provisions for liabilities and charges	-	(6,917,000)	-	(6,917,000)
Total	642,180	(6,726,134)	14,696,665	8,612,711

22. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of financial activities)	(657,889)	(398,578)
Adjustments for:		
Depreciation	361,397	364,794
Capital grants from DfE and other capital income	(187,792)	(609,127)
Interest receivable	(332)	(246)
Defined benefit pension scheme cost less contributions payable	827,000	608,000
Defined benefit pension scheme finance cost	109,000	93,000
Increase in debtors	(43,499)	(22,170)
Decrease/(increase) in capital debtors	(259,974)	128,284
(Decrease)/increase in creditors	61,394	(146,757)
Net cash provided by operating activities	209,305	17,200

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23. Cash flows from financing activities

	2022 £	2021 £
Cash inflows from new borrowing	-	16,936
Repayments of borrowing	(4,733)	(4,109)
Interest paid	-	1
Net cash (used in)/provided by financing activities	(4,733)	12,828

24. Cash flows from investing activities

	2022 £	2021 £
Dividends, interest and rents from investments	332	246
Purchase of tangible fixed assets	(249,639)	(552,405)
Capital grants from DfE Group	187,792	609,127
Net cash (used in)/provided by investing activities	(61,515)	56,968

25. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	1,397,086	1,254,029
Total cash and cash equivalents	1,397,086	1,254,029

26. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	1,254,029	143,057	-	1,397,086
Debt due within 1 year	(3,116)	3,116	(5,234)	(5,234)
Debt due after 1 year	(29,341)	1,616	5,234	(22,491)
	1,221,572	147,789	-	1,369,361

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	189,436	-

28. Pension commitments

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

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

Contributions amounting to £132,935 were payable to the schemes at 31 August 2022 (2021 - £130,181) and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

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28. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £706,910 (2021 - £697,310).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £693,000 (2021 - £639,000), of which employer's contributions totalled £558,000 (2021 - £512,000) and employees' contributions totalled £ 135,000 (2021 - £127,000). The agreed contribution rates for future years are 23.0 - 25.0 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

Principal actuarial assumptions

Essex Pension Fund

	2022	<i>2021</i>
	%	%
Rate of increase in salaries	3.90	3.90
Rate of increase for pensions in payment/inflation	2.90	2.90
Discount rate for scheme liabilities	4.20	1.65
Inflation assumption (CPI)	2.90	3.20

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

	2022	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21.0	21.6
Females	23.5	23.6
<i>Retiring in 20 years</i>		
Males	22.3	22.9
Females	24.9	25.1

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

Sensitivity analysis

Essex Pension Fund

	2022	<i>2021</i>
	£000	<i>£000</i>
Discount rate +0.1%	197	<i>319</i>
Discount rate -0.1%	(202)	<i>(327)</i>
Mortality assumption - 1 year increase	(249)	<i>(539)</i>
Mortality assumption - 1 year decrease	242	<i>518</i>
	=====	<i>=====</i>

Share of scheme assets

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

	At 31 August 2022	<i>At 31 August 2021</i>
	£	<i>£</i>
Equities	4,067,000	<i>4,275,000</i>
Gilts	139,000	<i>168,000</i>
Corporate bonds	319,000	<i>311,000</i>
Property	684,000	<i>466,000</i>
Cash and other liquid assets	216,000	<i>185,000</i>
Alternative assets and other managed funds	1,801,000	<i>1,273,000</i>
	=====	<i>=====</i>
Total market value of assets	7,226,000	<i>6,678,000</i>

The actual return on scheme assets was £18,000 (2021 - £1,188,000).

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

	2022	<i>2021</i>
	£	<i>£</i>
Current service cost	(1,381,000)	<i>(1,116,000)</i>
Interest cost	(109,000)	<i>(93,000)</i>
Administrative expenses	(4,000)	<i>(4,000)</i>
	=====	<i>=====</i>
Total amount recognised in the Statement of financial activities	(1,494,000)	<i>(1,213,000)</i>

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28. Pension commitments (continued)

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

	2022 £	<i>2021</i> £
At 1 September	13,595,000	<i>10,970,000</i>
Current service cost	1,381,000	<i>1,116,000</i>
Interest cost	224,000	<i>177,000</i>
Employee contributions	135,000	<i>127,000</i>
Actuarial (gains)/losses	(6,544,000)	<i>1,223,000</i>
Benefits paid	(159,000)	<i>(18,000)</i>
At 31 August	8,632,000	<i>13,595,000</i>

Changes in the fair value of the multi academy trust's share of scheme assets were as follows:

	2022 £	<i>2021</i> £
At 1 September	6,678,000	<i>4,873,000</i>
Interest income	115,000	<i>84,000</i>
Actuarial (losses)/gains	(97,000)	<i>1,104,000</i>
Employer contributions	558,000	<i>512,000</i>
Employee contributions	135,000	<i>127,000</i>
Benefits paid	(159,000)	<i>(18,000)</i>
Administration expenses	(4,000)	<i>(4,000)</i>
At 31 August	7,226,000	<i>6,678,000</i>

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

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

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

The estimated impact on the total liabilities at 31 August 2019 was allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2022.

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

On 13 May 2021, the Government issued a ministerial statement on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's Lloyds ruling on the equalisation of GMPs between genders, it is anticipated that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase.

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

Goodwin case

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

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

Sufficient information is not currently available to assess the actual impact on the Academy Trust as such no provision has been included within these financial statements.

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29. Operating lease commitments

At 31 August 2022 the multi academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	-	2,611
	<u> </u>	<u> </u>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2022	2021
	£	£
Operating lease rentals	-	7,748
Changes in lease payments arising from COVID-19 related rent concessions	-	-
	<u> </u>	<u> </u>

30. Members' liability

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

31. Related party transactions

Owing to the nature of the multi 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 Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the multi academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

K Harbrow - wife of S Harbrow (a trustee)

K Harbrow was employed by the trust and received remuneration of £4,694 in respect of her employment with the trust.

There were no amounts outstanding in respect of the above at the reporting date.

In entering into this transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

32. Controlling party

There is no ultimate controlling party.