

SEAX TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members	Andrew Barton (appointed 10 February 2015) Anthony Cox (appointed 10 February 2015) Andrew Hunter (appointed 10 February 2015) Ivor Moody (appointed 10 February 2015) Mark Ross (appointed 10 February 2015) Christopher Giffin (resigned 14 September 2015) Ann-Marie Briggs (resigned 10 February 2015) David Cottrell (resigned 10 February 2015) ^{1,3} Nigel Rothwell (resigned 10 February 2015) ¹
Trustees	Ann-Marie Briggs, Chair ^{1,3} Sally Davies OBE, Chief Executive & Accounting Officer ^{1,3} David Baker (appointed 1 April 2015) ² David Cottrell ^{1,3} Steven Hile ^{1,3} Andrew Hunter (appointed 14 October 2014) ¹ Emma Paramor (appointed 1 April 2015) ² John Revill (appointed 1 April 2015) Michael Southgate (appointed 1 April 2015) Christopher Giffin (resigned 14 October 2014) Peter Dervin (resigned 10 February 2015) ^{1,3} Annabelle Dyas (appointed 14 October 2014, resigned 10 February 2015) Vaughan Gregory (appointed 1 September 2014, resigned 10 February 2015) Stephen Grout (resigned 10 February 2015) ¹ David Lane (resigned 10 February 2015) ^{1,3} Ann Lawrence (resigned 10 February 2015) Carolyn Mitchell (resigned 10 February 2015) Ellen Pearce (appointed 14 October 2014, resigned 10 February 2015) Lynn Porter (resigned 10 February 2015) Georgina Pryke (resigned 10 February 2015) ^{1,3} Mark Ross, Responsible Officer (resigned 10 February 2015) Nigel Rothwell (resigned 10 February 2015) ^{1,3} Elizabeth Smart (resigned 10 February 2015) ^{1,3} Claire Smith (resigned 10 February 2015) ^{1,3}

- 1 Members of the Management Group (including audit responsibilities)
2 Local governing body for Langham Oaks School
3 Local governing body for Thriftwood School and College

On 1st April 2015, when the single Academy converted to a Multi Academy Trust, the Management Group was replaced by the Resources and Audit Committee.

On the 10th February 2015 trustees resigned as part of the process of establishing the SEAX trust.

Company registered number	07747149
Principal and registered office	Slades Lane Galleywood Chelmsford Essex CM2 8RW
Company secretary	Sharanjit Sandhu
Chair of Governors	Ann-Marie Briggs

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Administrative details (continued)

**Senior management
team**

Chief Executive Officer, Sally Davies OBE
Deputy Principal and Head of Thriftwood College, Elizabeth Smart
Head of Thriftwood School, Georgina Pryke
Head of Langham Oaks School, Emma Paramor
Chief Financial Officer, Academy Business Manager Thriftwood, Jackie Harper

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
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Administrative details (continued)

Independent auditors	MWS Chartered Accountants Statutory Auditor Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE
Bankers	National Westminster Bank PLC National Westminster House 4-5 High Street Chelmsford Essex CM1 1FZ Lloyds Bank LLP 4 Station Road Upminster Essex RM14 2UR
Solicitors	Browne Jacobson LLP Mowbray House Castle MEadow Road Nottingham NG2 1BJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of SEAX Trust (the academy) for the year ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

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

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and was set up by a Memorandum of Association on 18th August 2011.

During the year under review the trustees undertook a process of consultation with stakeholders and partner organisations following an approach to sponsor another special school in its academy conversion. Having successfully achieved Department for Education permission, the Company's memorandum and articles of association were revised through a deed of variation to enable the company to become a multi-academy trust, and the Funding agreement was amended accordingly. The name of the Company was changed to SEAX Trust on 10 February 2015 to recognise the change from a single academy trust to a multi academy trust. The SEAX Board is constituted with Thriftwood, as the sponsor, holding a majority of places but currently including representatives from the sponsored academy and the ESSET group of Special schools. The trustees of SEAX Trust ("The Trust") are also the directors of the charitable company for the purposes of company law.

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

During the early part of 2015, as The SEAX Trust converted from a single to multi-academy trust, the trustees developed a model of governance which included Members recruited from the community, a Trustee Board of Directors, with governance of the individual academies being devolved to Local Governing Bodies (LGBs), which are constituted as sub-committees of the Board. At that point, the trustees established a new Board that included directors with the requisite skills to oversee the Trust's activities, and established local governing bodies (LGBs) whose members had the appropriate skills to monitor and develop the individual academies. The trustees have set up procedures that include regular reviews of the mix of skills that should be available to the board and the LGBs. New trustees and members of LGBs will then be sought with these skills, either as additional trustees/ governors or replacements when existing trustees/ governors stand down. It is anticipated that the great majority of new trustees/ governors will be drawn from the local community being either parents or guardians of pupils and students at the individual academies or others that have shown an interest in the future wellbeing of the academies and their pupils. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communications to those within Essex.

Terms of appointment to the board and LGBs will be for a period of four years from the date of their initial appointment. At the end of their four year term, retiring trustees/ governors are eligible for re-election for a further term. Parent trustees/ governors remain on their respective bodies for the period of their appointment, even if their son or daughter has left the academies, but must thereafter retire or be appointed in an alternative role.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All trustees/ governors are encouraged to attend courses and conferences to improve their knowledge and enhance their skills. The Trust has subscribed to a package of courses provided by Essex County Council and is planning to utilise specialist trainers to provide courses for the whole of the Board and LGBs. Trustee/ governor training is a topic on the agenda for each meeting of the Board and LGBs.

Trustees, governors and teaching staff meet regularly to review specific areas of development of the School and share joint training on relevant topics.

Trust Members are regularly informed of the academies' progress and activities and welcomed to attend events or visit.

e. ORGANISATIONAL STRUCTURE

The trustees have responsibility for setting and monitoring the overall strategic direction of the charitable company and approving decisions reserved to trustees. A detailed scheme of delegation was produced at the formation of the trust which will be reviewed annually. Terms of reference for The SEAX Trust have been drawn up and will also be annually reviewed.

The trustees meet as a board at a minimum of 3 times each year. All decisions reserved to the trustees are taken by the board as a whole. Two committees comprising board members have been established with the transition to a multi-academy trust which will carry out much of the remit of the trustees – a Resources and Audit Committee (incorporating HR and Premises) and a Curriculum and Standards Committee (including Ofsted monitoring role). Each of the Committees meets at least 3 times each year with the meetings planned to be held prior to the Board meetings at which their business will be reported and recommendations presented.

In addition, Local Governing Bodies (LGBs) have been established for the two individual academies and specific functions have been delegated to the LGBs from the Board within its scheme of delegation and as appropriate for the needs of the individual academies.

The Responsible Officer role has an oversight function in relation to the systems and processes of control and risk management that operate throughout The Academy trust. In 2014/15, the Responsible Officer delegated the performance of detailed internal control reviews (I.C.E.) for Thriftwood School and College to Education Finance Support, Essex County Council. The internal control reviews for Langham Oaks School have been delegated to SBM Services Ltd. Detailed reports from these reviews have been provided to the Responsible Officer for appropriate follow-up action. For 2015/16, following a best value review, the Responsible Officer role will be delegated to the Resources and Audit Committee via detailed I.C.E. reviews supplied for both academies from SBM Services Ltd.

At the establishment of the multi-academy trust, the trustees appointed Sally Davies OBE as the Chief Executive Officer (CEO). The CEO is the Accounting Officer and works closely with both the other trustees and the senior staff of The SEAX Trust such as the Chief Financial Officer (the Thriftwood Academy Business Manager Jackie Harper) and those of its constituent individual academies.

The day-to-day management of The SEAX Trust rests with the CEO who has overall responsibility for the Trust. The Principal is responsible for establishing a Senior Leadership Team ("SLT"), including the Business Manager and the Heads of School and College at Thriftwood, and the Headteacher of Langham Oaks has a similar responsibility at that academy.

The SLT line-manage the individual academy's staff which includes teachers, and learning support assistants, and the Principal or Headteacher manages their respective administrative, residential, site, catering and technical staff.

Each year the SLT at each academy meets to prepare an Academy Improvement Plan ("AIP") and this is subsequently presented to LGBs for consideration, challenge and approval. The CEO is responsible for ensuring that the individual AIPs are consistent with the Trust's aims and then presents the overall AIP to the

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TRUSTEES' REPORT (continued)
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Board of Trustees for consideration, challenge and approval. The AIPs detail strategic aims and academic targets as well as initiatives to further develop The SEAX Trust community. An objective of each academy's AIP is to ensure all-round excellence within the local academy and the best possible education for the students as well as good working conditions for staff. In addition, consideration of activities and facilities provided for the wider community are also included within the AIP. Once agreed, the CEO and SLT's have responsibility for delivering the plan and reporting progress on a regular basis to the LGBs and board of trustees.

Coordinated with the objectives of the AIP is the annual financial plan, budget and asset management plan which is the responsibility of the CEO, Local Business Managers and Chief Financial Officer (CFO). Each academy's plan and budget are presented to the LGBs for consideration, challenge and discussion, prior to making a recommendation to the board of trustees. Once approved, the Local Business Manager monitors income, expenditure and capital spending and regularly reports the financial status to the LGBs and CFO. The CFO reports to the CEO and full trustee board.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

This year Thriftwood School has maintained a connected party relationship with:

CJ Smith – outreach and parent support work – below de minimis level
MA Southgate – grounds maintenance at the college site – below de minimis level

The Academy Trust works closely with Essex Special Schools Educational Trust (ESSET) to share knowledge and develop strategies for improving the outcomes for pupils with Special Educational Needs throughout Essex. A representative from an ESSET member school (a governor) is a trustee on the Board.

g. RISK MANAGEMENT

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

h. TRUSTEES' INDEMNITIES

The trustees have not provided indemnities in respect of any activity undertaken at The SEAX Trust.

Qualifying third party indemnity provisions (as defined in section 236 of the Companies Act 2006) were in force for the benefit of directors of the Company throughout the year and remain in force at the date of this report.

In accordance with normal commercial practice, the Academies have entered into the DfE Risk Protection Arrangement (RPA) to protect trustees and officers from claims arising from negligent acts, errors and omissions occurring whilst on the business of The Academy. The Arrangement has an unlimited liability subject to claims occurring after the signing of the Funding Agreement, that there is no other insurance policy in place, and to claims arising that a Member had prior knowledge of before opting to join the RPA.

i. PRINCIPAL ACTIVITIES

The principal activity of The SEAX Trust is to provide education for pupils and students in Essex who have a Statement of Special Educational Needs ("SEN") or Education, & Health Care Plan. Within the Trust are two academies:

Thriftwood School and College has funding for 156 pupils KS1-4 and 60 post-16. The school which has pupils in the age-range 5 to 14 is located in Galleywood, Chelmsford, Essex and has 110 pupils on site. A separate site in the Melbourne area of Chelmsford, known as Thriftwood College commenced operations in September 2013 and has increased numbers of students attending the site each year to a current level of 60 post 16 + 40 KS4 pupils.

Langham Oaks School – The school became an academy on 1 April 2015 and was sponsored by Thriftwood to

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jointly form the SEAX Trust on that date. It caters for pupils in the age range of 10 to 16 categorised as having social, emotional and mental health needs and has funding for 67 students and has residential provision for 28 students within the overall total.

Objectives and Activities

a. OBJECTS AND AIMS

The objectives and aims for which the charitable company is established are set down in the governing document, which was modified and adopted on 10 February 2015, as follows:

- "To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special educational provision for pupils with Special Educational Needs ("the Special School")"

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

In order to provide exceptional learning opportunities for students of The Academy, management concentrate on four key priorities:

- a) Outstanding teaching and learning – the aim is to provide outstanding teaching to promote intellectual challenge and the highest possible achievement for each student
- b) Care for the individual – the structures and ethos of The Academy ensure care for the individual and support for the learning of each individual student
- c) A fit place to learn – the aim is to provide an inspirational and well-run environment in which students can learn and grow in settings appropriate to their age
- d) Aspirational leadership – every leader in The Academy keeps their area of responsibility under review, competing with the best

In addition, academies in The SEAX Trust aim to provide specialist outreach services into local schools (both Special Needs and Mainstream) to improve the provision of learning to students with SEN in those establishments.

The SEAX Trust, in association with its partners, aims to provide relevant support to both students and families from the academies and the local communities in which the academies operate.

c. PUBLIC BENEFIT

The Trustees have taken The Charity Commission's 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 trustees' annual report.

Benefits & Beneficiaries

In accordance with its charitable objectives, the charitable company strives to advance the education of the students attending the individual schools and college. The charitable company's primary beneficiaries are therefore the students, and benefits to students are provided through continuing to maintain a high standard of education throughout the schools and college.

Trustees' Assessment of Public Benefit

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the trustees gather evidence of the success of The SEAX Trust's activities by reviewing progress against targets set in the Academy Improvement Plans.

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TRUSTEES' REPORT (continued)
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Strategic report

Achievements and performance

a. GOING CONCERN

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

b. KEY PERFORMANCE INDICATORS

The trustees will seek to ensure that consistent with its objective activities, it will measure relevant outcomes for each academy so that:

- Leadership and governance across the trust and academies is highly effective and is accountable for securing improved outcomes for all learners.
- The quality of teaching is excellent and secures the highest achievement for all students.
- The quality and breadth of the curriculum enriches learning, promotes well-being and improves the life chances of students.
- High quality training and sustained professional development is provided for all staff and governors.
- Partnerships with parents/carers, a wide range of professionals and services effectively support achievement and social outcomes for all students.
- The Trust and academies are innovative and outward facing, working in partnership with ESSET, the LA and other organisations to develop outstanding SEND provision for children and young people in Essex.

c. REVIEW OF ACTIVITIES

- The SEAX Trust successfully migrated from a single to multi-academy trust during the year with the support of ESSET, Essex County Council and the Education Funding Agency (EFA)
- The SEAX Trust sponsored the creation of the Langham Oaks Academy on 1 April 2015. The Langham Oaks Academy took over the running of the Langham site of the Ramsden Hall School on that date
- The SEAX Trust has constituted a structure for the management of the overall Trust and the local academies to fully support the development of the pupils, students and staff within the Trust
- The SEAX Trust is fully staffed with a significant increase in the number of qualified teachers and other specialist staff, specialising in SEN provision, to support the increase in pupil/ student numbers
- Staff from each of the local academies have shared knowledge and training to develop best in class practice for pupils and students development across The SEAX Trust
- The SEAX Trust continues to develop provision for pupils and students in facilities that are appropriate to the age ranges of the pupils/students.
- The SEAX Trust continues to develop its capacity for providing training and professional development in SEN for teachers, support staff and other schools and agencies.
- Finance staff at the SEAX Trust have undertaken reviews to determine best practice at each local academy and to develop common strategies to achieve best value across the whole Trust
- Significant work has been undertaken to evaluate and further develop appropriate learning strategies for post-16 students
 - At Thriftwood School & College
 - o The Academy has retained specialist status for Business and Enterprise
 - o The Academy has maintained Fair Trade status
 - o The Academy has Forest School accredited trainers

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- o The Academy received an Excellence in Education in Enterprise Award (Warwick University)
- o The Academy has continued to develop a research-based approach to school improvement in conjunction with Coventry University
- At Langham Oaks:
 - o Change in designation to include Year 6 placements
 - o Expanded boarding provision to 28, plus increased opportunities for extended day activities
 - o Development of Outreach Services to create bespoke packages for pupils with specific needs
 - o Working with Coderus in the development of an anti-bullying app to be launched nationally
 - o Awaiting notification of plans included in the PSBP2 programme

Impact of Activities & Events and Assessment of Public Benefit

- The SEAX Trust works with many organisations. Trustees can monitor the benefit from working with these organisations through reports and feedback
- Through the Acorn centre, the Thriftwood academy provides courses on SEN for professional staff from other schools and agencies
- The Apex Support Group continues to be very successful in supporting parents of children with SEN
- Jack Petchey Foundation awards which enables the Thriftwood academy to recognise, reward and celebrate students achievements
- All students leaving Thriftwood school progress to post-16 learning in other educational establishments, or transition into the Thriftwood College post-16 provision
- Working within the community running Fairtrade Stalls in markets and various other locations
- Working within the Essex Special Schools Educational Trust (ESSET) to further educational opportunities for children with SEN in Essex
- Development of Outreach Services to create bespoke packages for pupils with specific needs

d. INVESTMENT POLICY AND PERFORMANCE

The trustees' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of The Academy 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 Academy's current policy is to invest surplus funds in short-term cash deposits.

Financial review

a. PRINCIPAL RISKS AND UNCERTAINTIES

The trustees maintain a register of business risk for each academy which is a living document, regularly reviewed and updated. Risks are maintained in 8 main categories and are allocated a degree of severity of impact based on level of risk and likelihood of an event occurring. The risk document and the underlying risks within the document are reviewed by the LGBs and the Trustee Board on a regular basis.

The trustees have identified the following key risks to The SEAX Trust:

- (a) A drop in student numbers would result in lower funding levels and possibly in unviable class groups. At present, demand for places at the Trust's academies is at a high level.
- (b) The Local Authority controls admissions to the academies of The SEAX Trust. A reduction in referrals could have an impact on funding as described in a) above. At the present time The Local Authority is unable to meet demand for places in special schools and there is great pressure on the Trust to take additional students.
- (c) The SEAX Trust is exposed to fluctuations in government funding. Indicative funding levels from the Education Funding Agency are monitored to ensure that short to medium term obligations can be met and

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- any changes in funding can be managed to protect the Trust.
- (d) During 2013, The SEAX Trust negotiated a 123 year lease from Essex County Council of a suitable building in Chelmsford to enable provision to be expanded to age 19. Risks involve funding for the improvements to the building required to provide adequate facilities and will also be subject to the risks identified in b) and c) above. The Trust is working with relevant professional companies to design and refurbish the new premises and The Trust and the local governing body are monitoring progress regularly to minimise the inherent risk in this development.
 - (e) In April 2015, as part of the establishment of the Langham Oaks Academy, the buildings transferred from the Local Authority required significant work to ensure that the facilities remained in a viable state. A current PSBP2 project to rebuild the school is being considered.
 - (f) Along with other state schools and many other public bodies, the SEAX Trust academies are also exposed to fluctuations in the value of the Local Government Pension Scheme. The scheme is presently underfunded and each local academy is paying additional contributions into the scheme with the aim of eradicating the deficit over a 20 year period. The amount being paid could either increase or decrease in line with market conditions. The CEO and trustees are monitoring the situation and consider the additional amount payable to be affordable at present and have a reasonable expectation that the situation will remain affordable in the short to medium term.
 - (g) If either of the local academies were to experience significant changes in staffing due to retirement or progression, there is a risk that the academy could become exposed and underperform. The LGBs and trustees monitor staffing levels through the CEO and are satisfied that adequate succession planning is in place to mitigate this risk.
 - (h) The Thriftwood academy is undergoing a significant increase in pupil and student numbers. To meet the learning needs, additional staff members have been recruited and recruitment will continue. The increase places additional burdens on the SLT to integrate the staff into the ethos of The SEAX Trust without a risk to the performance of the teaching staff.
 - (i) With rapid advances in technology, there is the possibility that both of The SEAX Trust's local academies could be challenged to keep up with the pace of change. The Trust encourages the academies to strive to provide students and staff with good quality equipment and utilises relevant resources to maintain the capability of the academy to meet student and staff needs for up-to-date IT infrastructure.

b. RESERVES POLICY

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

At the balance sheet date, the charitable company had free reserves of £164,299 (2014: £53,624). The trustees intend to utilise these reserves in the near future to enhance the education of students.

The charitable company also had restricted general funds at the balance sheet date of £541,789 (2014: £77,412). The trustees intend that these funds will be used within the next financial year in furtherance of the charitable company's educational objectives and in line with the restrictions applying.

The charitable company had a deficit on the pension reserve of £2,360,000 (2014: £1,218,000) arising primarily from the transfer of employees who are members of the Local Government Pension Scheme (LPGS) to the Academy on conversion. The Academy is planning to eliminate the deficit on the reserve over the lifetime of the existing employees based on advice provided by the LPGS Actuary.

c. PRINCIPAL FUNDING AND FINANCIAL REVIEW

Financial Outcome of Activities & Events

The predominant source of The SEAX Trust's income is provided by the Education Funding Agency (EFA) in the form of recurring grants. The principal grants are the General Annual Grant (GAG) and the Education Services Grant (ESG). Schools also receive 'top-up' funding from local authorities for day students, with an additional 'top up' for boarding pupils. Other smaller grants are received from the EFA. During the year, the Academy has

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received specific grants from the EFA to enable its transition to a multi-academy trust, to sponsor a new academy and in establishment of the new academy. Each of the foregoing grants is "restricted" to particular purposes for the running of The Academy and providing services in accordance with the schools objectives. During the year to 31 August 2015, the grants received were £3,470,465 (less inherited pension liability) (2014: £2,054,194) and are shown as restricted funds in the statement of financial activities.

Other sources of funding are "unrestricted" and are mainly monies collected from parents/ carers for student trips, monies gifted by the Parents and Friends Associations and income from lettings of parts of the premises to third parties. In addition, unrestricted income is generated by the provision of outreach and training activities on both school sites.

At the year-end, The SEAX Trust held funds and reserves totalling £15,961,706 (2014: £10,192,806) of which £15,796,707 (2014: £10,139,184) was classified as restricted and £164,299 (2014: £53,624) which was classified as unrestricted. Details are provided in Note 25 to the accounts.

For capital projects, The SEAX Trust receives fixed asset grants from the EFA and Demographic Growth Capital Fund (DGCF). In 2015 these grants amounted to £218,124 (2014: £946,765). Other funding for the purposes of acquiring fixed assets amounted to £Nil (2014: £100,000) and was the result of donations from the local authority.

At 31 August 2015 the net assets of The SEAX Trust were £15,961,706 (2014: £10,192,806). The net assets are used wholly for the purposes of providing The Trust's objectives in furtherance of education of The SEAX Trust's students and associated activities.

The SEAX Trust achieved a surplus of £5,768,900 (2014: £1,088,801) in the year to 31 August 2015, due to the tight fiscal management of The Trust's finances in line with the rigorous budgets set and the transfer of the Langham Oaks grounds and buildings from the Local Authority.

On 1 April 2015, the Langham Oaks Academy was established and became part of The SEAX Trust. On 1 April, the local authority transferred ownership of the land and buildings at the Langham site on a 125 year lease to the new academy at a peppercorn rent. The total value of the land and buildings transferred was £6,345,000 which has been capitalised in these accounts.

Plans for future periods

a. FUTURE DEVELOPMENTS

Future Strategy

The SEAX Trust plans to continuously improve the educational experience of pupils and students within the local academies and to develop staff skills to enable this improvement to be attained. The SEAX Trust also plans to build on its capability to provide expert assistance to other schools and agencies to support their teaching of SEN students.

The SEAX Trust has partnerships with many other organisations and agencies and these partnerships will be developed and further partnerships established reflecting the increased age range of the students, in order to meet The Trust's charitable objectives.

Future Activities & Events

Student numbers are increasing following the establishment of Thriftwood College in September 2013. As numbers increase, there will be continuous monitoring and review to ensure the best possible educational provision for all students of the Thriftwood academy through a developing curriculum related to appropriate accreditation and increasing liaison with other statutory organisations involved in student transitions and supporting families in securing students' future provision.

In April 2015, the Langham Oaks Academy was sponsored as a new academy by The SEAX Trust. The Trust is

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in the process of developing policies and procedures which will enable the expertise contained within the overall Trust to be utilised for the benefit all of staff, pupils and students throughout the Trust and also to enable that expertise to be deployed through the special needs sector of education within Essex.

Impact of Future Activities & Events

The trustees are in the process of developing additional monitoring tools to recognise the changes in the governance structure to support the transition to a multi-academy trust. The increase in pupil/ student and staff numbers will also be taken into account with the developments of monitoring tools. Key measures currently in use (see prior information) will also continue to be used.

Public Benefit

The trustees will work closely with the CEO to establish monitoring tools to assess the implications on student outcomes and the financial implications of the developments over the last couple of years with the move into post-16 education, the development of the College site and the sponsorship of the new Langham Oaks academy.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Although the company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors and other funders, The SEAX Trust does not hold, and the trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

DISCLOSURE OF INFORMATION TO AUDITORS

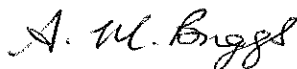
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, MWS, have indicated their willingness to continue in office.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 2 December 2015 and signed on the board's behalf by:



Ann-Marie Briggs
Chair of Trustees



Sally Davies OBE
Accounting Officer

SEAX TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, 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 SEAX 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 Trustees' responsibilities statement. The board of trustees has formally met 5 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
Ann-Marie Briggs, Chair	5	5
Sally Davies, CEO	5	5
David Baker	1	1
David Cottrell	5	5
Steven Hile	5	5
Andrew Hunter	4	5
Emma Paramor	2	2
John Revill	2	2
Michael Southgate	2	2
Peter Dervin	1	3
Annabelle Dyas	2	3
Vaughan Gregory	1	3
Stephen Grout	2	3
David Lane	3	3
Ann Lawrence	1	3
Carolyn Mitchell	2	3
Ellen Pearce	1	3
Lynn Porter	0	3
Georgina Pryke	2	3
Mark Ross, Responsible Officer	2	3
Nigel Rothwell	2	3
Elizabeth Smart	2	3
Claire Smith	3	3

The Business Manager attends the meetings as an advisor to the Board but is not eligible to vote.

From 1 September 2014 to 10 February 2015, the Trust was a single Academy Trust and had a Board of Directors and an executive committee of the board, the "Management Group". When the multi-academy trust was established, the governance structures changed, with the establishment of a Board of Directors, a Resources and Audit Committee, a Curriculum and Standards Committee and two Local Governing Bodies, one for each of the individual academies.

Governance reviews:

The Trustees carried out a complete review of the Governance Structure during late 2014 and early of 2015 to recognise the significant changes which would be required as it became clear that during early 2015 the Trust would convert from a single to multi-academy trust.

SEAX TRUST
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GOVERNANCE STATEMENT (continued)

The Trustees then developed a model of governance which comprised a new group of Members recruited from the community, a Trustee Board of Directors, and governance of the individual academies being devolved to Local Governing Bodies (LGBs), constituted as sub-committees of the Board. At the Multi academy conversion on April 1st, the new Board then established included trustee directors with the requisite skills to oversee the Trust's activities, and it approved the membership of the Local Governing Bodies (LGBs) with governors having the appropriate skills to monitor and develop the individual academies.

The Trustees have set up procedures that include regular reviews of the mix of skills that should be available to the board and the LGBs. New Trustees and members of LGBs will then be sought with these skills, either as additional Trustees/ governors or replacements when existing Trustees/ governors stand down. It is anticipated that the great majority of new Trustees/ governors will be drawn from the local community being either parents or guardians of pupils and students at the individual academies or others that have shown an interest in the future wellbeing of the academies and their pupils. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communications to those within Essex.

The Trustees are meeting in early 2016 to review the effectiveness of the arrangements established at the inception of SEAX, and will implement changes based on the findings as appropriate.

An executive committee of the board, the "Management Group" (disestablished 1st April 2015 when the trust switched to Multi Academy status) met to consider detailed matters and recommend decisions to the full board. Other trustees were invited to the meetings, and the majority attended, but are not able to vote.

The Resources and Audit Committee, which replacement the Management Group upon conversion to a multi academy trust, did not meet during the period, the first meeting was held in October 2015.

The Curriculum and Standards Committee did not meet during the period, the first meeting was held in October 2015.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ann-Marie Briggs (Chair)	3	3
Sally Davies (CEO)	3	3
David Cottrell	3	3
Peter Dervin	1	3
Jackie Harper (Business Manager)	3	3
Steven Hile	3	3
David Lane	3	3
Georgina Pryke	2	3
Dianne Rigg (Consulting)	2	3
Nigel Rothwell	3	3
Elizabeth Smart	2	3
Claire Smith	3	3

The Local Governing Body for Thriftwood School and College met 4 times during the period.
The Local Governing Body for Langham Oaks School met 2 times during the period.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ann-Marie Briggs (Chair) - Thriftwood	4	4
Sally Davies (CEO) - Thriftwood	4	4
David Cottrell - Thriftwood	0	4
Peter Dervin - Thriftwood	1	4
Steven Hile - Thriftwood	4	4
David Lane - Thriftwood	3	4
Georgina Pryke - Thriftwood	3	4

SEAX TRUST
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GOVERNANCE STATEMENT (continued)

Nigel Rothwell - Thriftwood	2	4
Elizabeth Smart - Thriftwood	4	4
Claire Smith - Thriftwood	4	4
David Baker (Chair) - Langham Oaks	2	2
Emma Paramor (Head) - Langhams Oaks	2	2
Stephen Wiper - Langham Oaks	2	2
Angela Bradding - Langham Oaks	2	2
Jenny Southworth - Langham Oaks	2	2
Alex Drennan - Langham Oaks	2	2
Lizzy Firmin - Langham Oaks	2	2

REVIEW OF VALUE FOR MONEY

As accounting officer, the Chief Executive has responsibility for ensuring that the 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 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Early in the year we were approached by Essex County Council to consider the possibility of forming a multi-academy trust to enable Ramsden Hall (Langham site) Special School to break its ties with Ramsden Hall (Billericay Site) and to be sponsored by Thriftwood.

The Governors, Directors and Members of Thriftwood School & College formed a working party and met with members of the DfE, Essex County Council and the Acting Head Teacher of Langham School to discuss the proposals and to consider the best interests of the students, staff and wider communities of both schools.

Thriftwood staff and parents were consulted on the proposals, the results of which were overwhelmingly in favour of the conversion to MAT status, and to sponsoring another school.

'Thriftwood should share its knowledge and experience with other schools'

As a result of the positive feedback and the agreement of the Thriftwood Governing Body an application was made to convert to SEAX Trust, and for the trust to sponsor Ramsden Hall (Langham). During the spring term key members of Thriftwood Staff visited the Langham site to assist with the challenging task of separating from Ramsden Hall, and joining the SEAX Trust. During the spring term key members of staff from both schools worked closely together to ensure a smooth transition. The Articles of Association for the trust were written and the Thriftwood Governing Body were instrumental in setting up the new Governing Body of the Langham School, in close consultation with their Headteacher and staff. The conversion took place on 1st April 2015, and Langham Oaks School opened.

The new partnership is progressing well, and staff from both sites have shared a day together to learn about the different communities, and to begin to form partnerships in multi-functional ways, recognising opportunities for sharing experiences and best practice in terms of staffing skills, and physical resources.

We are still in a developmental stage, but the conversion has been a very positive part of our year, and has been an excellent example of value for money in itself. However we recognise that there are many areas where we can work together to provide best value for all of the students in SEAX Trust.

Thriftwood School & College – Moderate Learning Difficulties

This has been another year of massive change. Our college site began its second year in operation, with our Year 10 through to Year 14 students on their own campus. The campus itself was a derelict building until summer 2013 and still needs a great deal of refurbishment. We were unsuccessful in our bids for CIF funding for 2014/15, but we have now completed the DGCF phase of refurbishment of the top two floors. Our ground floor windows and doors need replacing, there is a great deal of asbestos to remove, and the roof is badly

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GOVERNANCE STATEMENT (continued)

damaged. We will focus on these areas at the college site to provide a healthy and safe learning and working environment for our students and staff.

Value for money achieved:

- The college site required significant ICT infrastructure, together with tablet and laptop devices. Thriftwood achieved cost savings including improved specification by inviting quotes for bulk purchases, and using a procurement provider to assist in the process.
- Introduction of a cashless payment system for parents and carers. Students travel in from a very wide area via Essex County Council minibuses. Parents have been very pleased with this new service which enables them to pay for meals, uniform, trips and events without the concerns of large amounts of cash being transported over long distances.
- Year 9 residential trip to Derbyshire. In previous years our students have travelled to a local venue approximately 30 miles away. This year staff made the decision to offer a much more challenging residential visit where students could learn to trust themselves and each other in rigorous outdoor pursuits including kayaking and abseiling. This trip was heavily subsidised by the school as the transport costs for a small group to share were prohibitive, but the staff believed this experience would form a fundamental part of their development. The trip was a great success; the students were very proud of their achievements and had stretched themselves much further than they had thought possible. The results of their growth in confidence have been self-evident in their progression to Year 10 at the college site.
- The cleaning contract at the college site was not successful despite many meetings with the contractors. The decision was taken to advise the company that there would be no automatic renewal of the contract and a best value exercise was undertaken. A new company was appointed in May 2015.

Langham Oaks School – Social, Emotional and Mental Health needs

- Langham Oaks School opened on 1st April 2015 as part of SEAX Trust. This has been an extremely challenging, but positive change for Langham. The sharing of budgets between the two Ramsden Hall sites was very complicated, and it is believed that Langham Oaks are now in a position to achieve best value for their students as they receive their full budget directly from EFA and ECC. They can now begin to forward plan budgets for the benefit of students and staff.
- Langham Oaks has been providing a hot meals service to a local primary school for several years, the costs had not been reviewed or increased during that time. During the academy conversion process the Finance Officer reviewed costs against income and proposed an increase to meals charged to the primary school. This has released funds originally earmarked for catering costs which can now be spent on provision for the students on roll.
- The school was locked into an extremely old lease for reprographic equipment which was very expensive, and which provided poor quality reprographics. At conversion the school cancelled the contract and entered into an operating lease with a new provider, providing better quality equipment and significant cost savings.

Development of Best Value in the future.

Thriftwood and Langham Oaks Schools have highly experienced staff with an excellent knowledge base. We plan to work collaboratively as a whole school team on an annual basis, and to begin to forge links with staff across the sites for smaller projects.

The schools are already beginning to share contract and cost information with a view to procuring goods and services at more attractive rates than could be obtained as stand-alone schools.

We look forward with enthusiasm to 2015/16 and the opportunities that we can create as a SEAX Trust team.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of

SEAX TRUST
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GOVERNANCE STATEMENT (continued)

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 SEAX Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 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 academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- 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 Management Group of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and had Mark Ross and John Revill as Responsible Officers (RO) at different times during the year and in 2015/16 the Resources and Audit Committee will assume that role.

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

- Checks of control and review of the accounting systems.

On a termly basis, the appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year under review, minor weaknesses have been observed and modified procedures have been implemented to address all of the weaknesses identified.

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GOVERNANCE STATEMENT (continued)

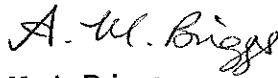
REVIEW OF EFFECTIVENESS

As accounting officer, the Chief Executive 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Management Group and the Resources and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Trustees' report, incorporating a strategic report, approved by the order of the board of trustees, as the company directors, on 2 December 2015 and signed on its behalf, by:



Ann-Marie Briggs
Chair of Trustees



Sally Davies
Accounting Officer

SEAX TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of SEAX Trust I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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 EFA.

Sally Davies
Accounting Officer



Date:

SEAX TRUST
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**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who act as governors of SEAX Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

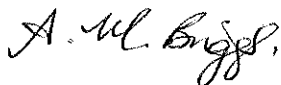
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 EFA/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 2 December 2015 and signed on its behalf by:



Ann-Marie Briggs
Chair of Trustees

SEAX TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEAX TRUST

We have audited the financial statements of SEAX Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Trustees 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 Trustees 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 Trustees for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

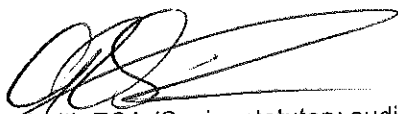
SEAX TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEAX TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Clive Smith FCA (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants
Statutory Auditor

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE
2 December 2015

SEAX TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SEAX TRUST
AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 30th May 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by SEAX Trust during the year 1 September 2014 to 31 August 2015 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 SEAX Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to SEAX Trust and EFA 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 SEAX Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF SEAX TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of SEAX Trust's funding agreement with the Secretary of State for Education dated 18th August 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SEAX TRUST
AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MWS

Chartered Accountants
Reporting Accountant

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

2 December 2015

SEAX TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	71,459	(1,145,000)	6,374,122	5,300,581	89,218
Activities for generating funds	3	137,330	-	-	137,330	91,800
Investment income	4	2,735	-	-	2,735	2,755
Incoming resources from charitable activities:						
Funding for the academies' educational operations	5	-	3,231,122	226,879	3,458,001	3,100,959
Provision of boarding activities		-	239,343	-	239,343	-
TOTAL INCOMING RESOURCES		211,524	2,325,465	6,601,001	9,137,990	3,284,732
RESOURCES EXPENDED						
Charitable activities:						
Academies' educational operations		323,058	2,661,510	280,155	3,264,723	2,280,333
Provision of boarding activities		-	210,709	-	210,709	-
Governance costs	7	-	14,658	-	14,658	10,598
TOTAL RESOURCES EXPENDED	10	323,058	2,886,877	280,155	3,490,090	2,290,931
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(111,534)	(561,412)	6,320,846	5,647,900	993,801

SEAX TRUST
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STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	25	222,909	(237,211)	14,302	-	-
NET INCOME FOR THE YEAR		<u>111,375</u>	<u>(798,623)</u>	<u>6,335,148</u>	<u>5,647,900</u>	<u>993,801</u>
Actuarial gains and losses on defined benefit pension schemes		-	121,000	-	121,000	95,000
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>111,375</u>	<u>(677,623)</u>	<u>6,335,148</u>	<u>5,768,900</u>	<u>1,088,801</u>
<i>Total funds at 1 September 2014</i>		<u>53,624</u>	<u>(1,140,588)</u>	<u>11,279,770</u>	<u>10,192,806</u>	<u>9,104,005</u>
TOTAL FUNDS AT 31 AUGUST 2015		<u><u>164,999</u></u>	<u><u>(1,818,211)</u></u>	<u><u>17,614,918</u></u>	<u><u>15,961,706</u></u>	<u><u>10,192,806</u></u>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 54 form part of these financial statements.


SEAX TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07747149

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	19		17,649,172		11,109,239
CURRENT ASSETS					
Stocks	20	1,808		1,265	
Debtors	21	135,074		537,304	
Cash at bank and in hand		985,228		75,672	
		<u>1,122,110</u>		<u>614,241</u>	
CREDITORS: amounts falling due within one year	22	<u>(449,576)</u>		<u>(312,674)</u>	
NET CURRENT ASSETS			<u>672,534</u>		<u>301,567</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,321,706</u>		<u>11,410,806</u>
Defined benefit pension scheme liability	32		<u>(2,360,000)</u>		<u>(1,218,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>15,961,706</u></u>		<u><u>10,192,806</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	25	541,789		77,412	
Restricted fixed asset funds	25	17,614,918		11,279,770	
Restricted funds excluding pension liability		<u>18,156,707</u>		<u>11,357,182</u>	
Pension reserve		<u>(2,360,000)</u>		<u>(1,218,000)</u>	
Total restricted funds			<u>15,796,707</u>		10,139,182
Unrestricted funds	25		<u>164,999</u>		<u>53,624</u>
TOTAL FUNDS			<u><u>15,961,706</u></u>		<u><u>10,192,806</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 2 December 2015 and are signed on their behalf, by:

A. M. Briggs.
Ann-Marie Briggs
Chair of Trustees


Sally Davies OBE
Accounting Officer

The notes on pages 29 to 54 form part of these financial statements.

SEAX TRUST
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	27	1,129,607	352,650
Returns on investments and servicing of finance	28	2,735	2,755
Capital expenditure and financial investment	28	(222,786)	(701,966)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u><u>909,556</u></u>	<u><u>(346,561)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase/(Decrease) in cash in the year	<u>909,556</u>	<u>(346,561)</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>909,556</u>	<u>(346,561)</u>
Net funds at 1 September 2014	<u>75,672</u>	<u>422,233</u>
NET FUNDS AT 31 AUGUST 2015	<u><u>985,228</u></u>	<u><u>75,672</u></u>

The notes on pages 29 to 54 form part of these financial statements.

SEAX TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency and the Department for Education and other donors, where the asset acquire or created is held for a specific purpose..

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Apportionment of costs

Where necessary, premises costs and administration salaries have been apportioned between the boarding and educational operations of Langham Oaks School based on the proportion of boarding income.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised at cost 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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Assets in the course of construction are included at cost. They are not depreciated until they are brought into use.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	over the life of the lease
Motor vehicles	-	20% p.a.
Fixtures, fittings and equipment	-	20% p.a.
Computer equipment	-	33% p.a.
Long-term leasehold buildings	-	2% p.a.

1.8 Operating leases

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

1.9 Stocks

Stock generally consists of small items of uniform and catering stock. A full stock count is made at the year end and stock is valued at the lower of cost price or net realisable value.

1.10 Taxation

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

1.11 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 32, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.12 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Langham Oaks School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for SEAX Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 30.

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other donations	29,945	-	29,945	44,204
Donations for fixed assets	-	7,942	7,942	35,000
Other donated assets	-	-	-	10,014
Government grants - assets inherited on conversion	41,514	5,221,180	5,262,694	-
	<u>71,459</u>	<u>5,229,122</u>	<u>5,300,581</u>	<u>89,218</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Business enterprise activities	20,232	-	20,232	44,450
Afterschool club	2,295	-	2,295	5,610
Hire of Facilities	20,064	-	20,064	7,510
School sales	50,480	-	50,480	6,043
Swimming	1,537	-	1,537	1,682
Catering income	28,011	-	28,011	17,105
Educational visits	14,711	-	14,711	9,400
	<u>137,330</u>	<u>-</u>	<u>137,330</u>	<u>91,800</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	2,735	-	2,735	2,755
	<u>2,735</u>	<u>-</u>	<u>2,735</u>	<u>2,755</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational Operations	-	3,458,001	3,458,001	3,100,959
Provision of Boarding	-	239,343	239,343	-
	<u>-</u>	<u>3,697,344</u>	<u>3,697,344</u>	<u>3,100,959</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,210,019	2,210,019	1,654,731
Capital Grants	-	218,125	218,125	946,765
Other DfE/EFA Grants	-	216,964	216,964	22,465
	<u>-</u>	<u>2,645,108</u>	<u>2,645,108</u>	<u>2,623,961</u>
Other government grants				
Local Authority Grants	-	780,830	780,830	409,750
Special Educational Projects	-	32,063	32,063	61,781
	<u>-</u>	<u>812,893</u>	<u>812,893</u>	<u>471,531</u>
Other funding				
Donations for educational activities	-	-	-	5,467
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,467</u>
	<u>-</u>	<u>3,458,001</u>	<u>3,458,001</u>	<u>3,100,959</u>

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational Operations	323,058	2,941,665	3,264,723	2,280,333
Provision of Boarding	-	210,709	210,709	-
	<u>323,058</u>	<u>3,152,374</u>	<u>3,475,432</u>	<u>2,280,333</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Educational Operations	2,488,432	270,576	505,715	3,264,723	2,280,333
Provision of Boarding	171,880	9,778	29,051	210,709	-
	<u>2,660,312</u>	<u>280,354</u>	<u>534,766</u>	<u>3,475,432</u>	<u>2,280,333</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Governance Internal audit costs	-	1,430	1,430	1,300
Governance Auditors' remuneration	-	13,000	13,000	9,298
Governance expenses	-	228	228	-
	<u>-</u>	<u>14,658</u>	<u>14,658</u>	<u>10,598</u>

Included in the above is £13,000 to MWS (2014: £7,750) and £Nil (2014 : £2,848) to the outgoing auditor.

8. DIRECT COSTS

	Educational Operations £	Provision of Boarding £	Total 2015 £	Total 2014 £
Technology costs	10,920	-	10,920	4,551
Educational supplies	100,085	2,076	102,161	76,639
Examination fees	4,039	-	4,039	2,604
Staff development	12,135	-	12,135	17,744
Educational consultancy	3,180	-	3,180	5,675
Other direct costs	22,566	-	22,566	20,312
Legal and professional fees	25,861	-	25,861	3,160
Wages and salaries	1,597,170	123,763	1,720,933	1,098,039
National insurance	113,145	7,122	120,267	76,305
TPS employers contributions	165,383	-	165,383	102,549
	<u>2,054,484</u>	<u>132,961</u>	<u>2,187,445</u>	<u>1,407,578</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

9. SUPPORT COSTS

	Educational Operations £	Provision of Boarding £	Total 2015 £	Total 2014 £
Pension finance charge	54,000	-	54,000	55,000
Technology costs	25,401	-	25,401	12,637
Profit on sale of asset	(200)	-	(200)	-
Maintenance of premises	40,037	8,770	48,807	31,306
Cleaning	37,041	1,127	38,168	19,253
Rent and rates	4,471	342	4,813	11,497
Energy costs	25,580	2,202	27,782	21,910
Insurance	4,251	-	4,251	19,599
Security and transport	14,044	3,455	17,499	12,328
Catering	47,684	9,577	57,261	36,214
Bank interest and charges	794	-	794	714
Indirect staff costs	3,272	-	3,272	2,814
Legal and professional fees	54,751	-	54,751	26,494
Other support costs	6,050	1,502	7,552	15,471
PPS and telephone	9,753	-	9,753	8,214
Wages and salaries	384,810	38,990	423,800	292,633
National insurance	16,106	2,005	18,111	13,098
LGPS service charge	211,818	-	211,818	148,188
Depreciation	270,576	9,778	280,354	145,385
	<u>1,210,239</u>	<u>77,748</u>	<u>1,287,987</u>	<u>872,755</u>

10. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Educational Operations	1,875,698	-	178,786	2,054,484	1,407,578
Provision of Boarding	130,885	-	2,076	132,961	-
Support costs - Educational Operations	612,734	392,532	204,973	1,210,239	817,755
Support costs - Provision of Boarding	40,995	12,441	24,312	77,748	-
	<u>2,660,312</u>	<u>404,973</u>	<u>410,147</u>	<u>3,475,432</u>	<u>2,225,333</u>
Charitable activities					
Governance	-	-	14,658	14,658	10,598
	<u>2,660,312</u>	<u>404,973</u>	<u>424,805</u>	<u>3,490,090</u>	<u>2,235,931</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Educational Operations	2,054,484	1,210,239	3,264,723	2,280,333
Provision of Boarding	132,961	77,748	210,709	-
Total	<u>2,187,445</u>	<u>1,287,987</u>	<u>3,475,432</u>	<u>2,280,333</u>

12. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	280,355	145,386
Auditors' remuneration	13,000	9,298
Other audit services	1,430	1,300
Operating lease rentals:		
- plant and machinery	8,113	7,051
	<u>8,113</u>	<u>7,051</u>

13. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,110,088	1,356,949
Social security costs	138,378	89,402
Other pension costs (Note 32)	377,201	250,738
	<u>2,625,667</u>	<u>1,697,089</u>
Supply teacher costs	34,645	33,723
	<u>2,660,312</u>	<u>1,730,812</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

13. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Management	2	5
Teachers	25	13
Administration and classroom support	70	39
	97	57
	97	57

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	2014 No.
In the band £70,001 - £80,000	1	1
	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this staff member amounted to £10,741 (2014: £9,987).

14. CENTRAL SERVICES

No central services were provided by the academy to its academies during the year and no central charges arose.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

15. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any benefits in kind (2014 - £NIL).
During the year ended 31 August 2015, expenses totalling £104 (2014 - £NIL) were reimbursed to 1 Trustee (2014 - #).

For information on other related party transactions with trustees, see note 35.

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

	2015 £	2014 £
Sally Davies - remuneration	75,000-80,000	70,000-75,000
- pension contributions	10,000-15,000	5,000-10,000
Elizabeth Smart - remuneration (resigned as trustee 10/02/15)	20,000-25,000	45,000-50,000
- pension contributions	0-5,000	5,000-10,000
Carolyn Mitchell - remuneration (resigned as trustee 10/02/15)	15,000-20,000	40,000-45,000
- pension contributions	0-5,000	5,000-10,000
Susan Reid - remuneration	-	20,000-25,000
- pension contributions	-	0-5,000
Claire Impleton - remuneration	-	5,000-10,000
- pension contributions	-	0-5,000
Emma Paramor - remuneration (appointed as trustee 01/04/15)	30,000-35,000	-
- pension contributions	0-5,000	-
Vaughan Gregory - remuneration (appointed 01/09/14) resigned as trustee 10/02/15)	5,000-10,000	-
- pension contributions	0-5,000	-
Ellen Pearce - remuneration (appointed 14/10/14, resigned as trustee 10/02/15)	0-5,000	-
- pension contributions	0-5,000	-
Annabelle Dyas - remuneration (appointed 14/10/14, resigned as trustee 10/02/15)	0-5,000	-
- pension contributions	0-5,000	-

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy 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 of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

17. OTHER FINANCE INCOME

	2015	2014
	£	£
Expected return on pension scheme assets	37,000	17,000
Interest on pension scheme liabilities	(91,000)	(72,000)
	(54,000)	(55,000)
	(54,000)	(55,000)

18. TRANSFERS BETWEEN FUNDS

Funds have been transferred in respect of the following:

£158,000 has been transferred from the restricted fund to the restricted pension reserve for the employer's LGPS contributions paid, on behalf of employees, from the General Annual Grant (GAG).

£7,397 has been transferred from the restricted fund to the restricted fixed asset fund representing capital expenditure paid for out of the General Annual Grant (GAG).

£276,000 has been transferred from restricted pension reserve to unrestricted funds reserve representing the service cost and net finance charge of the LGPS.

£53,091 has been transferred from the unrestricted fund to the restricted fund and split £30,000 to the GAG fund and £23,091 to the Local Authority Grants fund to cover the cash deficits on those funds within Langham Oaks School.

£6,905 has been transferred from the restricted boarding fund to the restricted fixed asset fund to cover assets funding from boarding income.

£17,435 has been transferred from the restricted GAG fund to the restricted boarding fund to allocate a proportion of the LGPS pension service charge to the boarding fund.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

19. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Furniture and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2014	11,152,946	16,000	139,479	43,283	11,351,708
Additions	6,710,439	-	58,112	51,737	6,820,288
At 31 August 2015	<u>17,863,385</u>	<u>16,000</u>	<u>197,591</u>	<u>95,020</u>	<u>18,171,996</u>
Depreciation					
At 1 September 2014	201,590	7,360	23,304	10,215	242,469
Charge for the year	215,397	3,200	33,972	27,786	280,355
At 31 August 2015	<u>416,987</u>	<u>10,560</u>	<u>57,276</u>	<u>38,001</u>	<u>522,824</u>
Net book value					
At 31 August 2015	<u>17,446,398</u>	<u>5,440</u>	<u>140,315</u>	<u>57,019</u>	<u>17,649,172</u>
At 31 August 2014	<u>10,951,356</u>	<u>8,640</u>	<u>116,175</u>	<u>33,068</u>	<u>11,109,239</u>

Additions includes assets transferred upon conversion as follows:
Long-term leasehold property £6,345,000
Furniture and equipment £21,180

20. STOCKS

	2015 £	2014 £
Catering and uniform stock	<u>1,808</u>	<u>1,265</u>

21. DEBTORS

	2015 £	2014 £
Trade debtors	28,663	-
VAT Recoverable	22,662	158,876
Other debtors	15,974	7,106
Prepayments and accrued income	67,775	371,322
	<u>135,074</u>	<u>537,304</u>

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22. CREDITORS:

Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	43,588	-
Other taxation and social security	55,648	24,656
Other creditors	150,196	283,617
Accruals and deferred income	200,144	4,401
	449,576	312,674
	449,576	312,674
		£
Deferred income		4,401
Deferred income at 1 September 2014		198,128
Resources deferred during the year		(4,401)
Amounts released from previous years		<u>198,128</u>
Deferred income at 31 August 2015		<u><u>198,128</u></u>

The balance of deferred income at the end of the year represents income received in advance as follows:

£198,000 relating to ECC high needs funding received for the 2015/2016 year.
£128 relating to Universal Infant Free School Meals funding.

23. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £12,456 and disbursed £6,771 from the fund. An amount of £5,685 is included in other creditors relating to undistributed funds that is repayable to EFA.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

24. ACADEMY BOARDING ACCOUNT

	2015 £	2015 £
Income		
Grants		239,343
Expenditure		
Direct Costs		
Staff costs	130,885	
Other direct costs	2,076	
	132,961	(132,961)
Support Costs		
Staff costs	40,995	
Maintenance of premises	8,770	
Cleaning	1,127	
Rent and rates	342	
Energy costs	2,202	
Catering	9,577	
Depreciation	9,778	
Security and transport	3,455	
Other support costs	1,502	
	77,748	(77,748)
Total Operating Costs		(210,709)
Surplus/(deficit) on boarding		28,634
Transfer of amount to restricted GAG fund to cover proportion of LGPS service charge	-	(17,435)
Transfer of amount to fund furniture in restricted fixed asset fund		(6,905)
		4,294
Surplus/(deficit) on boarding carried forward at 31 August 2015		4,294

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

25. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	53,624	211,524	(323,058)	222,909	-	164,999
Restricted funds						
General Annual Grant (GAG)	77,412	2,210,019	(1,740,214)	(117,962)	-	429,255
Other DfE/EFA Grants	-	216,964	(120,964)	-	-	96,000
Local Authority Grants	-	772,076	(782,927)	23,091	-	12,240
Special Educational Projects	-	32,063	(32,063)	-	-	-
Provision of boarding	-	239,343	(210,709)	(24,340)	-	4,294
Pension reserve	(1,218,000)	(1,145,000)	-	(118,000)	121,000	(2,360,000)
	<u>(1,140,588)</u>	<u>2,325,465</u>	<u>(2,886,877)</u>	<u>(237,211)</u>	<u>121,000</u>	<u>(1,818,211)</u>
Restricted fixed asset funds						
Capital expenditure from GAG	261,156	-	(11,544)	7,030	-	256,642
DfE/EFA capital grants	1,296,765	218,125	(67,198)	-	-	1,447,692
Local Authority Grant	304,321	8,754	(14,587)	-	-	298,488
Assets donated from Local Authority	6,304,826	-	(87,297)	-	-	6,217,529
Inherited Fixed Assets	3,069,485	6,366,180	(96,436)	367	-	9,339,596
Other Fixed Asset Donations	34,872	7,942	(947)	-	-	41,867
Gifted fixed asset	8,345	-	(2,002)	-	-	6,343
Capital expenditure from boarding fund	-	-	(144)	6,905	-	6,761
	<u>11,279,770</u>	<u>6,601,001</u>	<u>(280,155)</u>	<u>14,302</u>	<u>-</u>	<u>17,614,918</u>
Total restricted funds	<u>10,139,182</u>	<u>8,926,466</u>	<u>(3,167,032)</u>	<u>(222,909)</u>	<u>121,000</u>	<u>15,796,707</u>
Total of funds	<u><u>10,192,806</u></u>	<u><u>9,137,990</u></u>	<u><u>(3,490,090)</u></u>	<u><u>-</u></u>	<u><u>121,000</u></u>	<u><u>15,961,706</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS
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25. STATEMENT OF FUNDS (continued)

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the trust via the EFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the GAG that it could carry forward at 31 August 2014.

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

The Local Authority revenue grants fund has been set up to recognise the restricted grant funding received from Essex County Council as a contribution towards the cost of the trust's revenue expenditure.

The Special Educational Projects fund has been set up to recognise the restricted funding received from the EFA to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Capital expenditure from the GAG fund has been created to reflect the value of tangible fixed assets purchased from GAG funding. Depreciation charged to the assets purchased with the GAG funding is allocated to this fund,

The DfE/EFA and local authority capital grant funds have been created to recognise the capital grants received from the purpose of the acquisition of tangible fixed assets. The amount spent in excess of the capital grants received has been transferred in from the GAG fund. Depreciation relating to these assets has been allocated to this fund.

The Assets donated from the Local Authority Fund has been set up to recognise the tangible assets gifted to the academy since conversion by the local authority. Depreciation charged on those inherited assets is allocated to this fund,

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 Other Fixed Assets Donations Fund has been set up to recognise donations from other parties for the purpose of purchasing tangible fixed assets. Depreciation charged on these assets is allocated to this fund.

The Gifted Fixed Asset Fund has been set up to recognise assets donated to the academy. Depreciation charged on these assets is allocated to this fund.

The Provision of Boarding fund has been set up to recognise the income and expenditure relating to boarding activities.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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**NOTES TO THE FINANCIAL STATEMENTS
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25. STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Thriftwood Academy	593,276
Langham Oaks School	113,512
	706,788
Total before fixed asset fund and pension reserve	706,788
Restricted fixed asset fund	17,614,918
Pension reserve	(2,360,000)
	15,961,706
Total	15,961,706

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciatio n £	Total £
Thriftwood Academy	1,465,792	497,202	88,951	341,720	2,393,665
Langham Oaks School	445,632	251,686	13,211	105,545	816,074
	1,911,424	748,888	102,162	447,265	3,209,739
	1,911,424	748,888	102,162	447,265	3,209,739

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	53,624	211,524	(323,058)	222,909	-	164,999
Restricted funds	(1,140,588)	2,325,465	(2,886,877)	(237,211)	121,000	(1,818,211)
Restricted fixed asset funds	11,279,770	6,601,001	(280,155)	14,302	-	17,614,918
	10,192,806	9,137,990	(3,490,090)	-	121,000	15,961,706
	10,192,806	9,137,990	(3,490,090)	-	121,000	15,961,706

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**NOTES TO THE FINANCIAL STATEMENTS
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26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	17,649,173	17,649,173	11,109,240
Current assets	141,108	969,454	11,549	1,122,111	614,241
Creditors due within one year	23,891	(427,665)	(45,804)	(449,578)	(312,675)
Provisions for liabilities and charges	-	(2,360,000)	-	(2,360,000)	(1,218,000)
	<u>164,999</u>	<u>(1,818,211)</u>	<u>17,614,918</u>	<u>15,961,706</u>	<u>10,192,806</u>

27. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	5,647,900	993,801
Returns on investments and servicing of finance	(2,735)	(2,755)
Assets transferred upon conversion	(6,366,180)	(10,014)
Depreciation of tangible fixed assets	280,355	-
Capital grants from DfE and others	(231,321)	(1,046,765)
Increase in stocks	(542)	(158)
Decrease in debtors	402,230	97,246
Increase in creditors	136,900	225,295
Pension liability transferred from Local Authority	1,145,000	-
FRS 17 pension cost less contributions payable (note 32)	64,000	41,000
FRS 17 pension finance income (note 32)	54,000	55,000
Net cash inflow from operations	<u>1,129,607</u>	<u>352,650</u>

28. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	2,735	2,755
	<u>2,735</u>	<u>2,755</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(454,107)	(1,539,502)
Capital grants from DfE and others	231,321	837,536
Net cash outflow capital expenditure	<u>(222,786)</u>	<u>(701,966)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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29. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	75,672	909,556	-	985,228
Net funds	75,672	909,556	-	985,228

30. CONVERSION TO AN ACADEMY TRUST

On 1st April 2015 Langham Oaks School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to SEAX Trust from Essex County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	6,345,000	6,345,000
- Other tangible fixed assets	-	-	21,180	21,180
Other assets	41,154	-	-	41,154
LGPS pension surplus/(deficit)	-	(1,145,000)	-	(1,145,000)
Net assets/(liabilities)	41,154	(1,145,000)	6,366,180	5,262,334

The above assets include £41,145 that are due to be transferred as cash.

Under the transfer agreement of the leasehold land and buildings, the associated lease is 125 years from Essex County Council.

31. CAPITAL COMMITMENTS

At 31 August 2015 the academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	-	213,250

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

32. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £44,469 were payable to the scheme at 31 August 2015 (2014 - 24,085) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £154,447 (2014: £103,640).

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**NOTES TO THE FINANCIAL STATEMENTS
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32. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £149,000, of which employer's contributions totalled £114,000 and employees' contributions totalled £35,000. The agreed contribution rates for future years are 12.3% for employers and 5.5 - 7.5% for employees.

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

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	<i>Expected return at 31 August 2014 %</i>	<i>Fair value at 31 August 2014 £</i>
Equities	-	831,000	6.10	220,000
Other Bonds	-	124,000	3.60	38,000
Property	-	148,000	5.10	40,000
Gilts	-	52,000	3.00	22,000
Cash	-	32,000	2.90	10,000
Alternative Assets	-	92,000	3.60	14,000
		<u>1,279,000</u>		<u>344,000</u>
Total market value of assets		<u>(3,639,000)</u>		<u>(1,562,000)</u>
Present value of scheme liabilities				
		<u>(2,360,000)</u>		<u>(1,218,000)</u>
Deficit in the scheme				

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**NOTES TO THE FINANCIAL STATEMENTS
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32. PENSION COMMITMENTS (continued)

The expected return was 5.3%, which has been used to determine the profit and loss charge for the year ended 31 August 2015.

The expected return on assets is based on the long-term future expected investment return for each asset classes as at the beginning of the period (i.e. as at 1 September 2014) for the year to 31 August 2015. The returns on gilts and other bonds are assumed to be the gilt yield and the corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(3,639,000)	(1,562,000)
Fair value of scheme assets	1,279,000	344,000
	<u>(2,360,000)</u>	<u>(1,218,000)</u>
Net liability	<u>(2,360,000)</u>	<u>(1,218,000)</u>

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

	2015 £	2014 £
Current service cost	(222,000)	(146,000)
Interest on obligation	(91,000)	(72,000)
Expected return on scheme assets	37,000	17,000
	<u>(276,000)</u>	<u>(201,000)</u>
Total	<u>(276,000)</u>	<u>(201,000)</u>
Actual return on scheme assets	<u>20,000</u>	<u>37,000</u>

The expected return was 5.3%, which has been used to determine the profit and loss charge for the year ended 31 August 2015.

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

	2015 £	2014 £
Opening defined benefit obligation	1,562,000	1,477,000
Current service cost	222,000	146,000
Interest cost	91,000	72,000
Contributions by scheme participants	49,000	33,000
Actuarial Gains	(158,000)	(115,000)
Benefits paid	(28,000)	(51,000)
Liability transferred from Local Authority	1,901,000	-
	<u>3,639,000</u>	<u>1,562,000</u>
Closing defined benefit obligation	<u>3,639,000</u>	<u>1,562,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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32. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	344,000	260,000
Expected return on assets	37,000	17,000
Actuarial gains and (losses)	(37,000)	(20,000)
Contributions by employer	158,000	105,000
Contributions by employees	49,000	33,000
Benefits paid	(28,000)	(51,000)
Assets transferred from Local Authority	756,000	-
	<u>1,279,000</u>	<u>344,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £268,000 (2014 - £(207,000)).

The academy expects to contribute £220,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	65.00 %	64.00 %
Gilts	4.00 %	6.00 %
Other Bonds	10.00 %	11.00 %
Property	12.00 %	12.00 %
Cash	2.00 %	3.00 %
Alternative Assets	7.00 %	4.00 %

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Rate of increase in salaries	4.40 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.60 %
RPI increases	3.50 %	3.70 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.98
Females	27.6	27.4

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**NOTES TO THE FINANCIAL STATEMENTS
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32. PENSION COMMITMENTS (continued)

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(3,639,000)	(1,562,000)	(1,477,000)
Scheme assets	1,279,000	344,000	260,000
Deficit	<u>(2,360,000)</u>	<u>(1,218,000)</u>	<u>(1,217,000)</u>
Experience adjustments on scheme liabilities	158,000	115,000	(82,000)
Experience adjustments on scheme assets	<u>(37,000)</u>	<u>(20,000)</u>	<u>21,000</u>

Comparative figures have not been restated as permitted by FRS 17.

33. OPERATING LEASE COMMITMENTS

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	<u>8,113</u>	<u>7,051</u>

34. TRUSTEES' PERSONAL GUARANTEES

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

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**NOTES TO THE FINANCIAL STATEMENTS
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35. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The following related party transactions took place in the year:

CJS Support, a company of which Claire Smith, a trustee until 10th February 2015, is a sole trader, was paid £2,389 (£3,216) in outreach support services up to her resignation.

Michael Southgate, a trustee from 1st April 2015, was paid £2,009 in grounds maintenance since his appointment.

There were no amounts relating to the above outstanding at the year end.

36. CONTROLLING PARTY

There is no ultimate controlling party.