

South Essex Alliance Multi-Academy Trust
Statement of Financial Activities for the year ended 31 August 2022
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2022 £000	Total 2021 £000
Income and endowments from:						
Donations and capital grants	2	13	-	149	162	312
Charitable activities:						
Funding for the academy trust's educational operations	3	-	4,446	-	4,446	4,416
Teaching schools	24	-	23	-	23	17
Other trading activities	4	352	-	-	352	194
Total		365	4,469	149	4,983	4,939
Expenditure on:						
Raising funds	5	89	5	-	94	68
Charitable activities:						
Academy trust educational operations	5, 6	-	4,640	276	4,916	4,928
Teaching schools	24	-	23	-	23	17
Total		89	4,668	276	5,033	5,013
Net income/(expenditure)		276	(199)	(127)	(50)	(74)
Transfers between funds	15	(209)	135	74	-	-
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	15, 22	-	-	-	-	(257)
Net movement in funds		67	(64)	(53)	(50)	(331)
Reconciliation of funds						
Total funds brought forward		533	(3,009)	15,220	12,744	13,075
Total funds carried forward		600	(3,073)	15,167	12,694	12,744

All of the academy's activities derive from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The detailed comparative information for the Statement of Financial Activities is included on note 25.

South Essex Alliance Multi-Academy Trust
Balance Sheet as at 31 August 2022

	Notes	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	11		15,167		15,220
			<u>15,167</u>		<u>15,220</u>
Current assets					
Debtors	12	172		140	
Cash at bank and in hand		<u>1,135</u>		<u>1,126</u>	
		1,307		1,266	
Liabilities					
Creditors : Amounts falling due within one year	13	<u>(385)</u>		<u>(343)</u>	
Net current assets/(liabilities)			<u>922</u>		<u>923</u>
Total assets less current liabilities			16,089		16,143
Creditors: Amounts falling due after more than one year	14		(146)		(150)
Net assets excluding pension liability			<u>15,943</u>		<u>15,993</u>
Defined benefit pension scheme liability	22		(3,249)		(3,249)
Total net assets			<u>12,694</u>		<u>12,744</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	15,167		15,220	
General fund	15	176		240	
Pension reserve	15	<u>(3,249)</u>		<u>(3,249)</u>	
Total restricted funds			12,094		12,211
Unrestricted income funds	15		600		533
Total funds			<u>12,694</u>		<u>12,744</u>

The financial statements on pages 28 to 49 were approved by the trustees, and authorised for issue on _____ 2022 and are signed on their behalf by:

P Whittle

Chair of Trustees

Company Registration Number: 8445314 (England and Wales)

South Essex Alliance Multi-Academy Trust
Statement of Cash Flow for the year ended 31 August 2022

	Notes	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	86	152
Cash flows from financing activities	19	(4)	111
Cash flows from investing activities	20	(73)	(108)
Change in cash and cash equivalents in the reporting period		<u>9</u>	<u>155</u>
Cash and cash equivalents at 1 September 2021		1,126	971
Cash and cash equivalents at 31 August 2022		<u>1,135</u>	<u>1,126</u>

1 Statement of Accounting Policies

A summary of the principal accounting policies adopted, which have been applied consistently, judgements and key sources of estimation uncertainty, is set out below.

Company information

South Essex Alliance Multi-Academy Trust is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is Love Lane, Rayleigh, Essex, SS6 7DD.

Basis of preparation

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

South Essex Alliance Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pound.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

In forming this assessment, the Trustees have considered the impact of the current Coronavirus pandemic on the Academy trust, with a particular focus on its effect on the Academy Trust's financial position including its income, expenditure and reserves; its beneficiaries, and its employees. Whilst the Trustees acknowledge the disruption caused by the pandemic to the Academy Trust's day-to-day operations, they do not consider this to be a cause for material uncertainty in respect of the Academy Trust's ability to continue as a going concern.

Income

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

• Grants

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

General Annual Grant is recognised in full in the statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

• Donations

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

• Other income

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

• Transfers on conversion

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

1 Statement of Accounting Policies (continued)

Expenditure

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

• Expenditure on raising funds

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

• Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

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

Freehold buildings	2% straight line per annum
Long leasehold buildings	2% straight line per annum
Building improvements	4% to 10% straight line per annum
Fixtures, fittings and equipment	20% to 33% straight line per annum

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

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

Liabilities

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

1 Statement of Accounting Policies (continued)

Provisions

Provisions can be recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle an obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the last pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial instruments

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

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Taxation

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

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

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1 Statement of Accounting Policies (continued)

Pensions benefits

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

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

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

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the Trustees' assessment of the estimated useful economic lives of such assets.

South Essex Alliance Multi-Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2022 £000
Capital Grants	-	-	149	149
Other donations	13	-	-	13
2022/21 Total	13	-	149	162
2021/20 Total	1	-	311	312

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	3,643	3,643	3,419
Other DfE/ESFA grants				
UIFSM	-	97	97	150
Pupil Premium	-	272	272	270
Others	-	99	99	121
	-	4,111	4,111	3,960
Other Government grants				
Local authority grants	-	335	335	416
	-	335	335	416
Other Income from the academy trust's educational operations	-	-	-	40
2022/21 Total	-	4,446	4,446	4,416
2021/20 Total	-	4,416		4,416

South Essex Alliance Multi-Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

4 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Hire of facilities	65	-	65	44
Trips and club income	169	-	169	73
Catering income	47	-	47	34
Miscellaneous income	71	-	71	43
2022/21 Total	352	-	352	194
2021/20 Total	194	-		194

5 Expenditure

	Staff Costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2022 £000	Total 2021 £000
Expenditure on raising funds:					
Direct costs	-	-	94	94	68
Allocated support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	2,974	276	310	3,560	3,362
Allocated support costs	661	354	340	1,355	1,566
Teaching School:					
Allocated support costs	23	-	-	23	17
2022/21 Total	3,658	630	744	5,032	5,013
2021/20 Total	3,850	642	521		5,013

Net income/(expenditure) for the period includes:

	2022 £000	2021 £000
Operating leases rentals	2	4
Depreciation	275	270
Fees payable to auditor for:		
Audit	26	24
Other services	11	4

South Essex Alliance Multi-Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

6 Charitable Activities

	Total 2022 £000	Total 2021 £000
Direct costs - educational operations	3,560	3,362
Support costs - educational operations	1,356	1,566
Support costs - Teaching Schools	23	17
2022/21 Total	4,939	4,945
2021/20 Total		4,945

Analysis of support costs

	Educational operations £000	Total 2022 £000	Total 2021 £000
Support staff costs	661	661	1,009
Technology costs	14	14	11
Premises costs	354	354	372
Other support costs	285	285	140
Legal costs	4	4	6
Governance costs	37	37	28
Total support costs	1,355	1,355	1,566

7 Staff

a. Staff costs

Staff costs during the period were:

	2022 £000	2021 £000
Wages and salaries	2,763	2,664
Social security costs	206	224
Operating costs of defined benefit pension scheme	622	951
	3,591	3,839
Supply staff costs	67	11
	3,658	3,850

b. Non statutory/non-contractual severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2021: £nil).

c. Staff numbers

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

	2022 No.	2021 No.
Teachers	33	41
Administration and support	114	112
Management	10	19
	157	172

South Essex Alliance Multi-Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

d. Higher paid staff

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

	2022 No.	2021 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £484,840 (2021: £496,757).

8 Related Party Transactions - Trustees' Remuneration and Expenses

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

Mr P Malcolm (Chief Executive Officer and Headteacher)

Remuneration	£20,000 - £25,000 (2021: £20,000 - £25,000)
Employer's pension contributions	£0 - £5,000 (2021: £0 - £5,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £nil (2021: £nil) were reimbursed or paid directly to 0 trustees (2021: 0 trustee).

9 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. The cost of this insurance is included in the total insurance cost and is not separately identifiable.

South Essex Alliance Multi-Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

10 Disclosure of central services

Central services are provided to constituent schools within The Academy Trust through Rayleigh Primary School. All central expenditure is initially settled by Rayleigh Primary School, which in turn recharges the remaining schools in order to recover the appropriate share of cost borne by the school. The following central services were provided during the year to 31 August 2022:

- Financial support services
- Legal and professional support services
- Health and safety
- IT support

The actual cost of each service is shared between the schools within the Academy Trust on a per pupil basis. The actual amounts recharged by Rayleigh Primary School to other schools within the Academy Trust were as follows:

	2022 £000	2021 £000
Rayleigh Primary School	3	-
North Crescent Primary School	2	13
Wyburns Primary School	-	19
	<u>5</u>	<u>32</u>

11 Tangible fixed assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Building Improvements £000	Furniture and Equipment £000	Total £000
Cost					
At 1 September 2021	12,401	2,049	1,694	254	16,398
Additions	-	-	212	10	222
At 31 August 2022	<u>12,401</u>	<u>2,049</u>	<u>1,906</u>	<u>264</u>	<u>16,620</u>
Depreciation					
At 1 September 2021	359	345	265	209	1,178
Charged in year	98	41	104	32	275
At 31 August 2022	<u>457</u>	<u>386</u>	<u>369</u>	<u>241</u>	<u>1,453</u>
Net book values					
At 31 August 2022	<u>11,944</u>	<u>1,663</u>	<u>1,537</u>	<u>23</u>	<u>15,167</u>
At 31 August 2021	<u>12,042</u>	<u>1,704</u>	<u>1,429</u>	<u>45</u>	<u>15,220</u>

South Essex Alliance Multi-Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

12 Debtors

	2022	2021
	£000	£000
Trade debtors	7	9
VAT recoverable	48	25
Prepayments and accrued income	117	106
	<u>172</u>	<u>140</u>

13 Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	96	51
Other taxation and social security	57	45
Other creditors	83	102
Accruals and deferred income	149	145
	<u>385</u>	<u>343</u>

Deferred income

	2022	2021
	£000	£000
Deferred income as at 1 September 2021	97	119
Amounts released from previous years	(97)	(119)
Resources deferred in the year	74	97
Deferred income as at 31 August 2022	<u>74</u>	<u>97</u>

Deferred income at 31 August 2022, in the main, relates to funding received in the reporting period from the Education and Skills Funding Agency for Universal Infant Free School Meals income. This was specifically received for the 2022/23 academic year. In addition, the balance includes income received in advance from Essex County Council in respect for the provision of Nursery services for the 2022/23 autumn term.

14 Creditors: amounts falling due in greater than one year

	2022	2021
	£000	£000
Other creditors	146	150
	<u>146</u>	<u>150</u>

South Essex Alliance Multi-Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Funds

	Balance at 1 September 2021 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2022 £000
Restricted general funds					
General Annual Grant (GAG)	60	3,643	(3,545)	(81)	77
UIFSM	-	97	(97)	-	-
Pupil Premium	-	272	(272)	-	-
Other DfE/ESFA grants	-	122	(122)	-	-
Other grants and donations	180	-	(297)	216	99
Local Authority Grant	-	335	(335)	-	-
Pension reserve	(3,249)	-	-	-	(3,249)
	<u>(3,009)</u>	<u>4,469</u>	<u>(4,668)</u>	<u>135</u>	<u>(3,073)</u>
Restricted fixed asset funds					
Transfer on conversion	13,812	-	(139)	-	13,673
DfE/ESFA capital grants and capital expenditure from GAG	1,408	149	(137)	74	1,494
	<u>15,220</u>	<u>149</u>	<u>(276)</u>	<u>74</u>	<u>15,167</u>
Total restricted funds	<u>12,211</u>	<u>4,618</u>	<u>(4,944)</u>	<u>209</u>	<u>12,094</u>
Total unrestricted funds	<u>533</u>	<u>365</u>	<u>(89)</u>	<u>(209)</u>	<u>600</u>
Total funds	<u>12,744</u>	<u>4,983</u>	<u>(5,033)</u>	<u>-</u>	<u>12,694</u>

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

General Annual Grant (GAG)

The GAG is provided by the Secretary of State through the Education and Skills Funding Agency (ESFA) to cover the normal running costs of the Academy Trust. Under the funding agreement, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward.

Transfers from the GAG to fixed assets fund represent a utilisation of GAG to help fund the purchase of the Academy Trust's tangible fixed assets

Other DfE/ESFA revenue grants

This fund comprises other revenue grants received from the ESFA which are provided for specific purposes and includes the Pupil Premium grant which is provided to support disadvantaged children from low-income families.

Pension Reserve

The pension reserve relates to the deficit on the Academy Trust's share of the Local Government Pension Scheme liability for support staff. Whilst the fund is currently in deficit, the liability is not expected to crystallise in the short-term.

Fixed assets fund

These funds relate to the Academy Trust's holding of tangible fixed assets, predominantly the buildings occupied by the Academy Trust.

South Essex Alliance Multi-Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Funds (continued)

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

	Balance at 1 September 2020 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	-	3,419	(3,353)	(6)	60
UIFSM	-	150	(150)	-	-
Pupil Premium	-	270	(270)	-	-
Other DfE/ESFA grants	-	138	(138)	-	-
Other grants and donations	-	40	(22)	162	180
Local Authority Grant	-	416	(416)	-	-
Pension reserve	(2,662)	-	(330)	(257)	(3,249)
	<u>(2,662)</u>	<u>4,433</u>	<u>(4,679)</u>	<u>(101)</u>	<u>(3,009)</u>
Restricted fixed asset funds					
Transfer on conversion	13,951	-	(139)	-	13,812
DfE/ESFA capital grants and capital expenditure from GAG	1,120	311	(131)	108	1,408
	<u>15,071</u>	<u>311</u>	<u>(270)</u>	<u>108</u>	<u>15,220</u>
Total restricted funds	12,409	4,744	(4,949)	7	12,211
Total unrestricted funds	666	195	(64)	(264)	533
Total funds	13,075	4,939	(5,013)	(257)	12,744

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	Total 2022 £000	Total 2021 £000
Rayleigh Primary School	405	346
North Crescent Primary School	206	139
Wyburns Primary School	70	183
Central services	95	104
Total before fixed assets and pension reserve	<u>776</u>	<u>772</u>
Restricted fixed asset fund	15,167	15,220
Pension reserve	(3,249)	(3,249)
Total funds	<u>12,694</u>	<u>12,743</u>

South Essex Alliance Multi-Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

15 Funds (continued)

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	2022 Total £000	2021 Total £000
Rayleigh Primary School	1,447	319	150	277	2,193	2,217
North Crescent Primary School	659	115	70	194	1,038	961
Wyburns Primary School	809	179	87	155	1,230	1,212
Central services	82	49	3	162	296	353
	2,997	662	310	788	4,757	4,743

16 Analysis of net assets between Funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	15,167	15,167
Current assets	600	707	-	1,307
Current liabilities	-	(385)	-	(385)
Non-current liabilities	-	(146)	-	(146)
Pension scheme liability	-	(3,249)	-	(3,249)
Total net assets	600	(3,073)	15,167	12,694

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	15,220	15,220
Current assets	533	733	-	1,266
Current liabilities	-	(343)	-	(343)
Non-current liabilities	-	(150)	-	(150)
Pension scheme liability	-	(3,249)	-	(3,249)
Total net assets	533	(3,009)	15,220	12,744

South Essex Alliance Multi-Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

17 Commitments under operating leases

a) Operating Leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022	2021
	£000	£000
Amounts due within one year	2	2
	<u>2</u>	<u>2</u>

18 Reconciliation of Net Income/(expenditure) to Net Cash Inflow from Operating Activities

	2022	2021
	£000	£000
Net income/(expenditure) for the reporting period	(50)	(74)
<i>Adjusted for:</i>		
Depreciation	275	270
Capital grants from DfE/ESFA and other capital income	(149)	(311)
Defined benefit pension scheme cost less contributions payable	-	330
(Increase)/decrease in debtors	(32)	129
Increase/(decrease) in creditors	42	(192)
Net Cash provided by / (used in) Operating Activities	<u>86</u>	<u>152</u>

19 Cash flows from financing activities

	2022	2021
	£000	£000
Repayments of borrowing	(4)	-
Cash inflows from new borrowing	-	111
Net cash provided by / (used in) financing activities	<u>(4)</u>	<u>111</u>

20 Cash flows from investing activities

	2022	2021
	£000	£000
Purchase of tangible fixed assets	(222)	(419)
Capital grants from DfE Group	149	311
Net Cash provided by / (used in) investing Activities	<u>(73)</u>	<u>(108)</u>

21 Members' Liability

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

22 Pension and Similar Obligations

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

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

Contributions amounting to £XXXXXX were payable to the schemes at 31 August 2022 (2021: £65,659) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £489,000 (2021: £477,000).

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

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

South Essex Alliance Multi-Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

22 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £XXX,000 (2021: £305,000), of which employer's contributions totalled £XXX,000 (2021: £245,000) and employees' contributions totalled £XX,000 (2021: £60,000). The agreed contribution rates for future years are 19.9% - 25.0% for employers and 5.0% - 6.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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.

Additional disclosure should be made where the scheme is in deficit and the entity has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels, including the number of years over which it is anticipated that the additional contributions will be paid.

Principal Actuarial Assumptions

	2022	2021
Rate of increase in salaries	0.0%	3.9%
Rate of increase for pensions in payment/inflation	0.0%	2.9%
Discount rate for scheme liabilities	0.0%	1.7%

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

	2022	2021
<i>Retiring today</i>		
Males	0.0	21.6
Females	0.0	23.6
<i>Retiring in 20 years</i>		
Males	0.0	22.9
Females	0.0	25.1

Sensitivity analysis

	2022	2021
	£000	£000
Discount rate +0.1%	-	(156)
Discount rate -0.1%	-	(160)
Mortality assumption - 1 year increase	-	232
Mortality assumption - 1 year decrease	-	(224)

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

	2022	2021
	£000	£000
Equity instruments	-	1,757
Gilts	-	69
Corporate bonds	-	128
Property	-	191
Cash and other liquid assets	-	76
Alternative assets	-	305
Investment funds	-	-
Asset backed securities	-	-
Other	-	218
Total market value of assets	<u>-</u>	<u>2,744</u>

The actual return on scheme assets was £483,000.

South Essex Alliance Multi-Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

22 Pension and Similar Obligations (continued)

Amounts recognised in the statement of financial activities:

	2022	2021
	£000	£000
Current service cost	-	289
Interest income	-	34
Interest cost	-	(75)
Total amount recognised in the SOFA	<u>-</u>	<u>248</u>

22 Pension and Similar Obligations (continued)

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

	2022	2021
	£000	£000
At 1 September	5,080	3,697
Current service cost	-	534
Interest cost	-	75
Employee contributions	-	60
Actuarial (gain)/loss	-	705
Benefits paid	-	9
At 31 August	<u>5,080</u>	<u>5,080</u>

Changes in the fair value of Academy's share of scheme assets:

	2022	2021
	£000	£000
At 1 September	2,203	1,407
Interest income	-	34
Actuarial gain/(loss)	-	448
Employer contributions	-	245
Employee contributions	-	60
Benefits paid	-	9
At 31 August	<u>2,203</u>	<u>2,203</u>

South Essex Alliance Multi-Academy Trust

Notes to the Financial Statements for the year ended 31 August 2022 (continued)

23 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 8.

24 Teaching school trading account

	Unrestricted Funds £000	Restricted General Fund £000	Restricted Fixed Asset Funds £000	Total 2022 £000	Total 2021 £000
Income					
Other income	-	23	-	23	17
	-	23	-	23	17
Expenditure					
<u>Indirect costs</u>					
Staff costs	-	(23)	-	(23)	(17)
	-	(23)	-	(23)	(17)
Total operating costs	-	(23)	-	(23)	(17)
Surplus/(deficit) brought forward	-	-	-	-	-
Surplus/(deficit) carried forward	-	-	-	-	-

South Essex Alliance Multi-Academy Trust
Notes to the Financial Statements for the year ended 31 August 2022 (continued)

25 Comparative Statement of Financial Activities

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2021 £000
Income and endowments from:				
Donations and capital grants	1	-	311	312
Charitable activities:				
Funding for the academy trust's educational operations	-	4,416	-	4,416
Teaching schools	-	17	-	17
Other trading activities	194	-	-	194
Total	<u>195</u>	<u>4,433</u>	<u>311</u>	<u>4,939</u>
Expenditure on:				
Raising funds	64	4	-	68
Charitable activities:				
Academy trust educational operations	-	4,658	270	4,928
Teaching schools	-	17	-	17
Total	<u>64</u>	<u>4,679</u>	<u>270</u>	<u>5,013</u>
Net income / (expenditure)	131	(246)	41	(74)
Transfers between funds	(264)	156	108	-
Other recognised gains/(losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	(257)	-	(257)
Net movement in funds	<u>(133)</u>	<u>(347)</u>	<u>149</u>	<u>(331)</u>
Reconciliation of funds				
Total funds brought forward	666	(2,662)	15,071	13,075
Total funds carried forward	<u>533</u>	<u>(3,009)</u>	<u>15,220</u>	<u>12,744</u>