

Company registration number 07693309 (England and Wales)

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2023

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

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SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J King
L Martin
P Smith
R Henderson

Trustees

G Tapsell
P Melville (Resigned 21 March 2023)
V Northall
S Munday (Accounting Officer)
R Moore (Vice Chair of the Trustees)
H McClenaghan
C Stowers
L Bostock
J King (Chair of the Trustees) (Appointed 12 December 2023)

Senior management team

- Chief Executive Officer	S J Munday
- Headteacher Marshalls Park Academy	N Frost
- Executive Headteacher Deneholm Primary School, Chadwell St Mary Primary School & Stifford Clays Primary School	C Pumfrey
- Headteacher William Edwards School & Orsett Heath Academy	S Bell
- HR Director	S Ball
- Chief Operating Officer	P Melville

Company secretary

P Melville

Company registration number

07693309 (England and Wales)

Registered office

Stifford Clays Road
Grays
Essex
RM16 3NJ
United Kingdom

Academies operated

Chadwell St Mary Primary School
Deneholm Primary School
Marshalls Park Academy
Stifford Clays Primary School
William Edwards School
Orsett Heath Academy

Location

Grays
Grays
Romford
Grays
Grays
Grays

Headteacher

C Pumfrey
C Pumfrey
N Frost
C Pumfrey
S Bell
S Bell

Independent auditor

Azets Audit Services
7 - 8 Britannia Business Park
Comet Way
Southend-On-Sea
Essex
SS2 6GE
United Kingdom

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank PLC
34 High Street
Grays
Essex
RM17 6LX
United Kingdom

Solicitors

Browne Jacobson
88 Orsett Road
Grays
Essex
RM17 5EJ
United Kingdom

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 3 primary schools and 3 secondary academies within the Thurrock & Havering local authority areas. The Academies have a combined pupil capacity of 4,132 and had a roll of 4,028 in the 2023 census, including nurseries.

Principal activities

The Principal activity of the Trust is 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 academies offering a broad and balanced curriculum.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Charitable Company includes the following Academies:

- Chadwell St Mary Primary School, converted and joined the Trust on 1 September 2016
- Deneholm Primary School, converted on 1 April 2015
- Marshalls Park Academy, converted and joined the Trust on 1 April 2016
- Stifford Clays Primary School, converted on 1 April 2015
- William Edwards School, converted on 1 August 2011
- Orsett Heath Academy, new Free School opened on 1 September 2020

The Trustees of South West Essex Community Education Trust Limited are also the directors of the charitable company for the purposes of company law. The terms Trustee and Director are interchangeable. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance, HR & Audit Committee. Throughout this report the Board of Trustees is referred to as the Trust Board. Each Academy has appointed Local Schools Advisory Board (LSAB) who have few delegated responsibilities.

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.

Method of recruitment and appointment or election of trustees

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

The Members have appointed by ordinary resolution three Trustees including the Chief Executive Officer and Chief Financial Officer. The Trustees have appointed five Trustees making a total of eight Trustees.

Trustees are appointed for a fixed term of four years. The Chief Executive Officer (CEO) and Chief Financial Officer are ex officio members of the Trust Board. Trustees are appointed to office by recommendation to the Members from the Trust Board or appointed by the Trust Board if the Trustees believe a particular skill is required and to meet the business needs of the Trust. The Trust reviews its composition and skills annually.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Policies and procedures adopted for the induction and training of trustees

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. Trustees are required to attend induction training and regular ongoing training. To this end the Trust has links with training providers such as the National Governance Association and in-house training is provided where necessary. New Trustees receive a tour of the Trust's academies and are provided with key documents necessary for their role.

Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Trust Board, meets on at least four occasions per year and its subcommittee Finance, HR & Audit meet at least another four times per year. As the Trust further matures and develops, additional meetings have been put in place to address any emerging issues or to ensure that recommendations are considered and decisions are made in a timely fashion.

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

The Trust's CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trust sets pay and remuneration of key management personnel using the pay scales published by the Local Authority and a bespoke pay scale for the Chief Executive Officer and Chief Financial Officer. All pay and remuneration is linked to performance management. Arrangements are in place to review pay and the decisions about pay are made through the normal means, that being the Finance, HR & Audit committee.

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

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

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee of the Trust Board and ratified by the Trust Board.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	3.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	534
Total pay bill	20,572,041
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Engagement with employees

The Trust engages with its employees continuously and in a number of ways to suit their different working patterns. This includes regular Trust leadership, Headteacher and line manager briefings, a minimum of five staff training days each academic year. We have recently undertaken a whole-staff survey and respond to issues raised, and we are reviewing our policies in relation to employee wellbeing. We actively promote good relations with our recognised trade unions and meet with regional representatives on a termly basis to discuss issues of mutual interest. Headteachers engage regularly with school-based trade union representatives.

The Trust seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their obligations under the Equality Act 2010. Our policies and procedures fully support those with disabilities. We encourage and support a wide diversity of applicants at the recruitment stage and all successful candidates undergo a health screening process to objectively advise line managers on workplace adjustments. For those colleagues with existing disabilities or those who become disabled during their time with the partnership, we work with them to make reasonable adjustments to working practices and/or environment in order to keep the employee safe, and effective. This includes support and training to line managers and colleagues to better understand the needs of those with disabilities. We endeavour to ensure that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Engagement with suppliers, customers and others in a business relationship with the academy trust

The Trust recognises that as a public service educational provider it needs to engage with its external stakeholders, which include suppliers, service providers and most importantly its parents, children and wider communities, in strict accordance with the Seven Principles of Public Life.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Related parties and other connected charities and organisations

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

Details of related party transactions which took place in the year are disclosed in the notes to the financial statements.

The Trust does not have a formal sponsor.

Objectives and activities

Objects and aims

The principal object and activity of the Trust is the provision of education for pupils of various ages and abilities.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Children, Schools and Families. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Trust, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Objectives, strategies and activities

The main objectives of the Trust during the year ended 31 August 2023 are summarised below:-

- to ensure that every pupil enjoys the same high quality education in terms of resourcing, teaching and care;
- to raise the standard of educational achievement of all pupils
- to improve the effectiveness of the schools within the Multi-Academy Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The Trust's main strategy encompasses providing:

- teaching and learning opportunities for all students to attain appropriate academic qualifications;
- an effective pastoral support programme for families and students who require additional help
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners for work experience;
- a programme of sporting, performing arts and after school leisure activities for all students;
- a system of after school clubs to allow students to explore areas of personal interest;
- a careers advisory service to help students obtain employment or move on to higher education.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that they have set.

The admissions policy for each school can be found on the school's website, as shown below:

<https://swecet.org/admissions/>

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

Progress for pupils in all three SWECE primary schools at KS2 were above the national average. As shown in the table below, pupils made significant progress from their KS1 attainment. There is limited national comparison data at present.

		Actual					Target	Actual		Actual					Target	Actual		Actual					Target	Actual

Secondary outcomes - Year 11 outcomes for 2022

Results at both secondary schools have been positive for 2023 when considered in context. The significant disruption this year group have experienced through the pandemic has not been uniform across the country or region so comparisons should be made very cautiously.

National averages for 2023 are not yet published but are expected to be higher than in 2019. The cells in green indicate performance well above the 2019 National Average for that measure. It is expected those outcomes will remain above the 2023 averages whilst Progress 8 measures remain challenging.

The year 11 cohorts at both schools were statistically similar and broadly average in terms of entry scores; 104.54 (MPA) and 105 (WES). Pupils with a scaled score of between 100 and 120 have met the expected standard.

Both cohorts had more boys than girls (55%).

The 2019 examination results at both schools were the strongest ever achieved following examinations and are the most realist benchmark for comparison given it is the last time examinations were completed unaided.

William Edwards

Marshall's Park

		NAv 19***	2019	2020*	**2021	2022	23		2019	2020*	**2021	2022	23
Academic outcomes	% Eng & Maths Grade 4+	62%	74%	79%	78.6%	70%	68%		66%	72%	82%	68%	69%
	% Eng & Maths Grade 5+	39%	46%	51%	55%	45%	41%		46%	49%	52%	47%	45%
	% Ebacc entered	35%	54%	59%	40%	53%	28%		48%	57%	61%	53%	79%
	Ebacc achieved (Grade 4 EM)	23%	33%	47%	30%	26%	16%		13%	26%	39%	24%	20%
	Ebacc APS	3.83%	4.31	4.57	4.5	4.1	3.74		3.75	4.21	4.41	3.82	3.75
	Ebacc achieved (Grade 5 EM)	19%	21%	20%	21	15%	10%		6%	18%	14%	16%	10%
	Attainment 8 Av	44.0	48.1	50.0	50	46.1	45.2		44.9	48	51.1	51	43.1
	Progress 8	-0.03	0.02	Av	0.33	-0.44			-0.09	Av	0.34	-0.33	
	Progress 8 disadvantaged	-0.4	-0.39	Av	-0.29	-0.9			-0.45	Av	-0.34	-0.65	
*CAG awarded **TAG awarded ***Nat Av for 23 expected to be lower in every measure. A8 confirmed at 41.8													

Overall, we remain positive as results vs 2019 are secure, and we have weathered the turbulence of the pandemic well.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Key performance indicators

Five of six SWE CET schools are graded Good by Ofsted with William Edwards School currently graded RI

School	Phase	Current Ofsted	Inspection Date
Chadwell St Mary Primary School	Primary	Good	June 2019
Deneholm Primary School	Primary	Good	October 2023
Marshalls Park Academy	Secondary	Good	March 2020
Orsett Heath Academy	Secondary	Good	October 2023
Stifford Clays Primary School	Primary	Good	October 2022
William Edwards School	Secondary	RI	July 2019

The Trust has continued to support and closely monitor the performance of all our schools via Trust standards review visits. The picture is very positive with attendance levels above national average in all 6 Trust settings and effective use of limited catch up funds to support educational recovery post pandemic.

Whilst the challenges are significant, all our schools are positioned well in terms of resourcing and capacity, including a full complement of teaching staff, to support all pupils, including the most vulnerable to progress at the fastest rate possible.

OHA Main site

The main site for Orsett Heath Academy is progressing well with handover expected in the summer of 2024. The school have elected to take a full cohort (240) for September 2024 and applications for the school have been high given the school's strong reputation in the community.

Going concern

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

Protecting the success of the academy trust

As directors of the charitable company, the Trustees have considered the interests of the Trust and its stakeholders in decision making. Trustees are highly cognisant of their role and the role of the schools in their communities as agents of transformation.

Trustees receive feedback from regular formal and informal stakeholder surveys. Where appropriate to do so, stakeholders including community groups and unions are consulted on specific policy decisions prior to their approval.

The Trust Board is robust in its commitment to its own code of conduct and that of its staff. It is aware of the potential for conflicts of interest and puts in place mechanisms to counter these where they apply. The Trustees place a high premium on ethical practice, and making decisions that are right for the communities and children they serve.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

The Trust has performed well and is secure. We assess our going concern status as positive and have financial plans for the forthcoming three years, which are reviewed on a number of occasions throughout the financial year. The principal risks and uncertainties the Trust faces is the lack of clarity in long term finance and the changing level of Government finance, and increasing utility costs. Principal funding sources of the Trust are the Government, though supported by other Government grants and trading activity.

The Trust mitigate these risks as far as possible by developing prudent budgets including a range of scenarios for greater or less income. The Trust is also implementing energy saving strategies, and reviews of other expenditure to ensure The Trust achieves the best value for money and take advantage wherever possible of the increased buying power of a Multi-Academy Trust.

The Trust has brought in services on estates business to aid in making more informed decisions. Our property management consultants regularly meet with the Finance, HR and Audit Committee.

In addition, the challenges the Trust faces are the cost of staffing and the additional on-costs associated with these. The Trust is aware of the financial pressures though is reliant on Government funding and also its own prudent management in staffing its academies and targeting expense where it is most needed. The Trust is financially robust.

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

The Trust has performed better than budgeted this year due to staff vacancies, deploying staff more effectively across the Trust and decreasing the amount spent on supply staff, and impact of energy reduction strategies. The capital programme saw an increase in activity during this financial year, with a number of improvements made to buildings across the Trust, and the improvement to items used as part of the curriculum.

During the year ended 31 August 2023, total expenditure of £27,514k (2022: £25,597k) was met by recurrent grant funding from the ESFA together with other incoming resources. The surplus of income over expenditure (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £914k (2022: £413k expenditure in excess of income).

The Trust has a strong financial backbone, as demonstrated by the balance sheet. The Trust has reserves and has plans for their use, whilst maintaining reserves to invest in longer term projects and to cater for difficult times.

At 31 August 2023 the net book value of fixed assets was £46,564k (2022: £45,569k). Movements in tangible fixed assets are shown in the notes to the financial statements.

The Essex County Council Pension Fund and the London Borough of Havering Pension Funds, in which the Trust participates, showed a £nil result (2022: £1,915k deficit) at 31 August 2023.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Reserves policy

The Chief Financial Officer must monitor cash flow and all bank account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.

In practice a working reserves balance to start the financial year of at least 5% of total income received the prior year is likely to be maintained (after these balances have been met) per academy plus the Trust central location. The Trust should therefore aim that sufficient funds are held in reserve to meet needs.

In determining the reserves policy for the Trust, Trustees must determine and explain annually their reasoning and potential use of reserves taking into account 22.3.1 and confirm any changes to the process by which access to reserves is permitted.

Presently, this is agreed at the time of budget setting or by recommendation of the Finance Committee to the Board.

In line with Academy Trust reserves guidance from the ESFA, the Trust will hold reserves to assist with one or more of the following reasons:

- a) Cashflow
- b) Contingency including future change and uncertainty – to cover unforeseen costs in year
and where expenditure exceeds income until the budget returns to a balanced state
- c) Planned investment and improvement – use of funds towards future capital expense for
example buildings, maintenance, sinking funds or IT.
- d) Strategic development and growth – investing to grow and the associated costs

All reserves are held in the name of the Trust and not schools individually. Should a new school join the Trust, all reserves will be pooled and added to the overall Trust reserves. Should a school leave the Trust, the CFO will complete an exercise to ascertain any free reserves that should be transferred to the outgoing school.

Periodically (at least annually) review interest rates and compare with other investment opportunities.

The Trust's current level of free reserves is £4,069k (2022: £3,531k) (total funds less the amount held in fixed assets and restricted funds).

The School held fund balances at 31 August 2023 of £51,816k (2022: £48,785k) comprising £47,747k (2022: £45,254k) of restricted funds and £4,069k (2022: £3,531k) of unrestricted general funds. Of the restricted funds, £46,564k (2022: £45,569k) is represented by tangible fixed assets, £303k (2022: £482k) of unspent capital funding and £880k (2022: £1,118k) by unspent revenue grants.

The Pension reserve which is considered part of restricted funds was £nil (2022: £1,915k in deficit) at the year end.

Investment policy

Under the Memorandum and Articles of Association, the Trust has the power to invest funds not immediately required for its own purposes, in any way the Trustees see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis. The Trust is currently assessing investment opportunities.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Principal risks and uncertainties

As Trustees, we acknowledge we have overall responsibility for ensuring that the South West Essex Community Education Trust Limited has effective and appropriate systems of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- the Trust is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- the proper records are maintained and financial information used within the academies in the Multi-Academy Trust or for publication is reliable;
- the Trust complies with relevant laws and regulations.

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

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

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and educational visits) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The directors have put in place a reserve policy that has ring-fenced £1m as a cushion against reduced funding and cashflow shortfalls in the future. A review of governance took place in March 2023 from which an action plan was created to further develop and strengthen governance of the Trust. There has been a review of leadership and management to address Key Management succession plans. Where significant financial risk still remains they have ensured they have adequate insurance cover through the insurance and other covers. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal risks and uncertainties that the Trust faces are:

Refer to key risks in risk register

- Falling pupil numbers
- Other schools/academies with similar objectives and little scope for differentiation competing for new pupils
- Key person loss/succession
- School may receive an unfavourable Ofsted report
- Parents/other stakeholders may consider that the School does not provide a valuable/high quality service
- Risk that an uncontrollable event may have on the School for instance a fire or flood.

Financial and risk management objectives and policies

Streamlined energy and carbon reporting

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year		
- Gas combustion	2,762,140	
- Fuel consumed for transport	74,862	
- Electricity purchased	1,282,214	
		4,119,216
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	505.30	
- Fuel consumed for owned transport	16.40	
		521.70
Scope 2 - indirect emissions		
- Electricity purchased		265.50
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust		1.50
Total gross emissions		788.70
<i>Intensity ratio</i>		
Tonnes CO2e per pupil		1.20

Quantification and reporting methodology

We have followed the 2022 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The management of resources and the need to embed sustainability is an important issue for the Trust and the following actions related to reducing energy use were implemented within the current reporting period.

The Trust has continued to use video conferencing for staff and board meetings, reducing the need for travel to and between sites. The emission saving resulting from these activities has not been quantified, but this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.

Some of our capital projects completed during the year were aimed at improving energy efficiency by replacing old lighting with LED lighting, and roofing works carried out at a number of Trust sites.

The Trust is committed to reducing longer term emissions and this year has seen the implementation of energy efficiency measures:

- Implementing the Trust Energy Strategy & new GEMS system for monitoring
- Further LED lighting upgrades across the Trust site
- Planned and preventative maintenance of boilers and other heating plant to ensure maximum operating efficiency
- Making car pooling schemes available to staff
- New Electric Vehicle scheme

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

- Open Orsett Heath Academy on the new permanent site
- Implement new IT systems and infrastructure including cloud technology
- Implement new ICFP measures for all schools
- Contract new catering service and cleaning across all sites
- Secure reputation with new marketing strategy

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2023 and signed on its behalf by:



J King
Chair of the Trustees

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that South West Essex Community Education Trust Limited 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 Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between South West Essex Community Education Trust Limited and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
G Tapsell	2	4
P Melville (Resigned 21 March 2023)	2	2
V Northall	4	4
S Munday (Accounting Officer)	4	4
R Moore (Vice Chair of the Trustees)	3	4
H McClenaghan	4	4
C Stowers	4	4
L Bostock	3	3
J King (Chair of the Trustees) (Appointed 12 December 2023)		

- There have been no changes to the composition in the Trust Board apart from changes in Trusteeship
- The work of Trustees has been to focus on outcomes, financial security and holding the executive team to account. It does this through regular board meetings, individual meetings and audit functions
- The Board received data and information/reports from its executive team and also through reports of independent professionals that challenge the work of the Trust.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conflicts of interest

The Trust has one main committee that meets often. There is a continual dialogue between the committee and the main Board and any issues or concerns are discussed as and when required.

If conflict arises, the Board or it's committee, whichever is meeting, must make a decision as to whether or not they should take steps to remove the conflict by:

1. Not pursuing the course of action it relates to;
2. Proceeding with it in an alternative way which does not give rise to conflict; or
3. Not appointing the Trustee or Trustees in question or seeking to secure their resignation.

In the minutes of the meeting, the following should be recorded:

1. The nature of the conflict;
2. Which Trustee or Trustees it relates to;
3. Whether a declaration was made in advance of the meeting;
4. A brief overview of what was discussed;
5. Whether the Trustee or Trustees withdrew from the meeting;
6. How the Trustees or Trustees made the decision in the best interests of the Academy.

Trustees require the Chair of the Trustees, Chief Executive Officer and the Chief Financial Officer, and all other Trustees to avoid the real and perceived conflicts of interest. If any doubt, advice should be sought from the National Governors Association.

Governance reviews

Trustees complete an annual skills audit which helps the Trust to identify any gaps in skills, experience or knowledge. The Trust use this to provide training opportunities for Trustees, or will look to recruit Trustees with the required skills. An external review of governance was completed in March 2023.

The Finance, HR and Audit committee is a sub-committee of the main board of trustees. Its purpose is:

- To act in accordance with the Education (School Government) Regulations
- To carrying out delegated functions to the Trust Development Plan
- To maintain expenditure within the limits set by the Trust Budget Plan
- To advise the Trust Board of decisions taken within the powers delegated

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
S Munday (Accounting Officer)	3	4
R Moore (Vice Chair of the Trustees)	4	4
C Stowers	4	4

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Review of value for money

Accounting Officer, the CEO has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes as well as estates safety and management, 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 appropriate. The Accounting Officer for the MAT has delivered improved value for money during the year as follows:

- continuous three year forward forecasting
- review of procedures to ensure efficient processes within the finance team to enable more focus on consolidating contracts across the Trust
- monthly meetings between the Accounting Officer, COO and Assistant CFO to ensure funds are being well spent
- Trustees are aware of their responsibilities in providing challenge on the spending of funds and hold senior leaders to account on the use of funds and securing value for money
- Trustees are aware of their responsibilities to provide and challenge spending on estates to on the spending to ensure the trust's estate is safe, well-maintained, and complies with regulations.
- benchmarking through the schools benchmarking website and the Schools Resource Management Self Assessment Tool

Educational Outcomes

Across the South West Essex Community Education Trust the core aim is to achieve value for money whilst ensuring positive outcomes for the young people in our community. The Trust continues to improve the outcomes of pupils by:

- Ensuring improved results for pupils across the Trust from KS1 – KS4.
- Supporting and challenging the schools in the Trust to ensure that pupil outcomes remain at the heart of everything we do: for example, reviewing the curriculum provision and access for all pupils. Sharing best practice across the Trust by teachers working across schools and sharing resources and their time.

Business Planning

The Trust holds half termly meetings with the Headteachers of each academy and regular communication, to ensure that any issues that may arise are dealt with quickly. The Trust continues to improve the planning of the Business by:

- Sharing of best practice: for example, through regular communication and meetings the preparation for GDPR was completed with one secondary academy producing a template used across the trust with regards to GDPR requirements
- Consolidation of Reports: for example, central completion of all financial reports, saving time and resources within the academies.
- Continue Negotiation of Contracts: for example, centralising contracts across the Trust, in particular those held with reprographics, catering and software companies, resulting in cost savings for all academies.
- Shared Training: All training is organised centrally and co-ordinated to provide schools with easy to access and high quality training.
- The Trust has a clear scheme of delegation and authorisation approved by the Board and this was followed throughout the year.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Financial Governance/Management

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

- Value for Money is sought by all budget holders: For example, value from external suppliers is ensured by the fact that for any order over £2,000 the budget holder must demonstrate best value; providing supporting evidence of having sought more than one quotation. For any amount between £2,001 and up to the European Union Threshold, the budget holder must obtain more written quotations, in writing, and attach them to the purchase order.
- The National pay change for associate staff was implemented in April salaries and following information from Essex pension services adjustments have also been made. Rising on-costs continue to be a concern to academies and all vacancies are carefully analysed to ensure only essential replacements are made.

Organisational Learning

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

- Investment in people: for example, this continues to lead to opportunities for expertise to be shared across the Trust with regards to maintenance, personnel, finance and administration as well as teaching and learning.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South West Essex Community Education Trust Limited for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint a range of external organisations to support the Trustees in monitoring of compliance and improvement.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

These agencies give advice on the areas listed below. These are determined by the Trust's risk register.

- Health and safety audit
- Website audit - all locations and central
- Safeguarding audit
- Data protection audit

On a quarterly basis, the auditors report to the board of trustees, through the Finance, HR and Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' responsibilities.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trust Finance, HR and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust confirms the internal auditor has delivered their schedule of work as planned, and no material control issues arose as a result of the internal auditor's work.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust 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 Finance, HR & Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 12 December 2023 and signed on its behalf by:



S Munday
Accounting Officer



J King
Chair of the Trustees

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

As accounting officer of South West Essex Community Education Trust Limited, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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

A handwritten signature in blue ink, appearing to read 'S Munday', is written over a horizontal line.

S Munday
Accounting Officer

12 December 2023

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of South West Essex Community Education Trust Limited for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 12 December 2023 and signed on its behalf by:



J King
Chair of the Trustees

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of South West Essex Community Education Trust Limited for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



**Catherine Cooper FCCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

18 December 2023
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**Chartered Accountants
Statutory Auditor**

Units 7 & 8 Britannia Business Park
Comet Way
Southend-On-Sea
Essex
United Kingdom
SS2 6GE

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2023

In accordance with the terms of our engagement letter dated 26 June 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South West Essex Community Education Trust Limited during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of South West Essex Community Education Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of South West Essex Community Education Trust Limited's funding agreement with the Secretary of State for Education dated 29 January 2011 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services
Units 7 & 8 Britannia Business Park
Comet Way
Southend-On-Sea
Essex
SS2 6GE
United Kingdom

Dated: 18 December 2023

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:						
Donations and capital grants	3	636	-	1,081	1,717	3,133
Charitable activities:						
- Funding for educational operations	4	465	25,728	-	26,193	23,379
Other trading activities	5	574	-	-	574	521
Investments	6	1	-	-	1	1
Total		<u>1,676</u>	<u>25,728</u>	<u>1,081</u>	<u>28,485</u>	<u>27,034</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	1,138	25,352	1,024	27,514	25,597
Total	8	<u>1,138</u>	<u>25,352</u>	<u>1,024</u>	<u>27,514</u>	<u>25,597</u>
Net income		538	376	57	971	1,437
Transfers between funds	18	-	(759)	759	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	2,060	-	2,060	11,734
Net movement in funds		<u>538</u>	<u>1,677</u>	<u>816</u>	<u>3,031</u>	<u>13,171</u>
Reconciliation of funds						
Total funds brought forward		<u>3,531</u>	<u>(797)</u>	<u>46,051</u>	<u>48,785</u>	<u>35,614</u>
Total funds carried forward		<u>4,069</u>	<u>880</u>	<u>46,867</u>	<u>51,816</u>	<u>48,785</u>

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted	Restricted funds:		Total
		funds £'000	General £'000	Fixed asset £'000	2022 £'000
Income and endowments from:					
Donations and capital grants	3	229	-	2,904	3,133
Charitable activities:					
- Funding for educational operations	4	411	22,968	-	23,379
Other trading activities	5	521	-	-	521
Investments	6	1	-	-	1
Total		1,162	22,968	2,904	27,034
Expenditure on:					
Charitable activities:					
- Educational operations	9	507	24,046	1,044	25,597
Total	8	507	24,046	1,044	25,597
Net income/(expenditure)		655	(1,078)	1,860	1,437
Transfers between funds	18	-	2	(2)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	11,734	-	11,734
Net movement in funds		655	10,658	1,858	13,171
Reconciliation of funds					
Total funds brought forward		2,876	(11,455)	44,193	35,614
Total funds carried forward		3,531	(797)	46,051	48,785

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	14	46,564	45,569
Current assets			
Debtors	15	1,801	2,742
Cash at bank and in hand		5,168	5,353
		6,969	8,095
Current liabilities			
Creditors: amounts falling due within one year	16	(1,717)	(2,964)
Net current assets		5,252	5,131
Net assets excluding pension liability		51,816	50,700
Defined benefit pension scheme liability	20	-	(1,915)
Total net assets		51,816	48,785
Funds of the academy trust:			
Restricted funds	18		
- Fixed asset funds		46,867	46,051
- Restricted income funds		880	1,118
- Pension reserve		-	(1,915)
Total restricted funds		47,747	45,254
Unrestricted income funds	18	4,069	3,531
Total funds		51,816	48,785

The accounts on pages 26 to 51 were approved by the trustees and authorised for issue on 12 December 2023 and are signed on their behalf by:


J King
Chair of the Trustees

Company registration number 07693309 (England and Wales)

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £'000	£'000	2022 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	21		752		252
Cash flows from investing activities					
Dividends, interest and rents from investments		1		1	
Capital grants from DfE Group		1,081		2,904	
Purchase of tangible fixed assets		(2,024)		(2,738)	
Proceeds from sale of tangible fixed assets		5		2	
Net cash (used in)/provided by investing activities			(937)		169
Net (decrease)/increase in cash and cash equivalents in the reporting period			(185)		421
Cash and cash equivalents at beginning of the year			5,353		4,932
Cash and cash equivalents at end of the year			5,168		5,353

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

South West Essex Community Education Trust Limited is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

1.3 Income

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

Grants

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

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

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where 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.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

Governance costs

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

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, 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 that require 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.

The property at William Edwards School has been based on an external valuation carried out by Hilbery Chaplin in 2011 and the properties held at all other schools have been included at the valuation provided by the ESFA when completing their desktop valuation.

The properties at William Edwards School and Marshall Park Academy are held at freehold. All the other academies within the multi academy trust have entered into a 125 year lease on their land and buildings with their local authority.

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

Freehold land and buildings	between 2.5% and 10% straight line (land is not depreciated)
Leasehold buildings	between 2.5% and 10% straight line
Leasehold land	Over period of lease
Assets under construction	Not depreciated until in use
Fixtures, fittings & equipment	between 20% and 25% straight line
Motor vehicles	10% straight line

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

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 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.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 Taxation

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

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 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.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

2 Critical accounting estimates and areas of judgement

Accounting 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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property and note 1.5 for the useful economic lives for each class of assets.

LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2023. 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 pension value also includes an asset ceiling adjustment and the assumptions used to calculate this are:

- The scheme is open to new entrants;
- There is a minimum funding requirement in relation to the LGPS;
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period;
- The present value in the above calculations are calculated using an annuity representing participation into perpetuity.

Critical areas of judgement

There are no critical areas of judgement.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Trips	587	-	587	216
Capital grants	-	1,081	1,081	2,904
Other donations	49	-	49	13
	<u>636</u>	<u>1,081</u>	<u>1,717</u>	<u>3,133</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
DfE/ESFA grants				
General annual grant (GAG)	-	21,678	21,678	20,068
Other DfE/ESFA grants:				
- UIFSM	-	153	153	151
- Pupil premium	-	1,076	1,076	956
- Start up grants	-	-	-	154
- PE and Sports Premium	-	59	59	58
- Rates	-	79	79	70
- Supplementary grant	-	623	623	272
- Mainstream schools additional grant	-	344	344	-
- Others	-	233	233	281
- Recovery premium	-	203	203	-
	<u>-</u>	<u>24,448</u>	<u>24,448</u>	<u>22,010</u>
Other government grants				
Local authority grants	-	1,280	1,280	905
	<u>-</u>	<u>1,280</u>	<u>1,280</u>	<u>905</u>
COVID-19 additional funding				
Non-DfE/ESFA				
Other COVID-19 funding	-	-	-	53
	<u>-</u>	<u>-</u>	<u>-</u>	<u>53</u>
Other incoming resources	465	-	465	411
	<u>465</u>	<u>-</u>	<u>465</u>	<u>411</u>
Total funding	<u>465</u>	<u>25,728</u>	<u>26,193</u>	<u>23,379</u>

During the prior year the Trust received £53k for Mass testing.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Other income	574	-	574	521

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Short term deposits	1	-	1	1

7 Central services

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

Central Finance Team

- Marketing items
- IRIS Financials
- Broadband & Leaseline
- Microsoft licences
- Training & development
- Capita Sims Licences
- IMP Software
- Antivirus package
- Audit costs
- Various subscriptions including GDPR
- Health & safety
- SWECET website

Central HR team

- Payroll services
- HR services
- Wellbeing service

Chief Executive Officer & Primary Executive Headteacher

- Quality assurance

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

Central costs are recharged between 7.5% and 7.8% of GAG funding.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

7 Central services

(Continued)

The amounts charged during the year were as follows:

	2023 £'000	2022 £'000
Chadwell St Mary Primary School	80	78
Deneholm Primary School	136	127
Marshalls Park Academy	535	492
Stifford Clays Primary School	171	189
William Edwards School	552	520
Orsett Heath Academy	193	116
	<u>1,667</u>	<u>1,522</u>

8 Expenditure

	Staff costs	Non-pay expenditure		Total 2023	Total 2022 restated
	£'000	Premises £'000	Other £'000	£'000	£'000
Academy's educational operations					
- Direct costs	17,021	820	1,914	19,755	17,993
- Allocated support costs	3,443	2,441	1,875	7,759	7,604
	<u>20,464</u>	<u>3,261</u>	<u>3,789</u>	<u>27,514</u>	<u>25,597</u>

Net income/(expenditure) for the year includes:

	2023 £'000	2022 restated £'000
Fees payable to auditor for:		
- Audit	21	24
- Other services	3	5
Operating lease rentals	-	36
Depreciation of tangible fixed assets	1,024	1,044
Net interest on defined benefit pension liability	64	197
	<u></u>	<u></u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Total 2022 £'000
Direct costs				
Educational operations	746	19,009	19,755	17,993
Support costs				
Educational operations	392	7,367	7,759	7,604
	<u>1,138</u>	<u>26,376</u>	<u>27,514</u>	<u>25,597</u>
			2023	2022

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities

(Continued)

	£'000	£'000
Analysis of support costs		
Support staff costs	3,443	4,174
Depreciation	204	230
Technology costs	121	134
Premises costs	2,237	1,484
Legal costs	6	6
Other support costs	1,721	1,544
Governance costs	27	32
	<u>7,759</u>	<u>7,604</u>

10 Subsidiary Undertaking

The Charity has a wholly owned subsidiary, SWECET Trading Limited, incorporated in the UK. The company number is 10384586 and the Trust owns 100% of its 100 Ordinary share capital. The principal activity of the company is to run lettings on behalf of the Trust. The Trust has not prepared consolidated accounts as its inclusion is not material for the purposes of giving a true and fair view in the context of the group.

SWECET TRADING LIMITED

	2023 £	2022 £
Revenue	-	-
Gross profit	-	-
Administrative expenses	(398)	(385)
Loss for the year	<u>398</u>	<u>385</u>

The assets and liabilities of SWECET Trading Limited were:

Current assets	2,894	3,292
Creditors	(4,152)	(4,152)
Net Assets/(liabilities)	<u>(1,258)</u>	<u>(860)</u>
Represented by:		
Share capital	100	100
Reserves	(1,358)	(960)
	<u>(1,258)</u>	<u>(860)</u>

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Staff

Staff costs

Staff costs during the year were:

	2023 £'000	2022 £'000
Wages and salaries	14,954	13,741
Social security costs	1,496	1,402
Pension costs	3,355	4,246
Staff costs - employees	19,805	19,389
Agency staff costs	659	489
Staff restructuring costs	-	54
	20,464	19,932
Staff development and other staff costs	218	219
Total staff expenditure	20,682	20,151

Staff restructuring costs comprise:

Redundancy payments	-	32
Severance payments	-	22
	-	54

Severance payments

The academy trust paid - severance payments in the year, disclosed in the following bands:

Staff numbers

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

	2023 Number	2022 Number
Teachers	235	231
Administration and support	259	244
Management	6	6
	500	481

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Staff

(Continued)

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	16	13
£70,001 - £80,000	3	4
£80,001 - £90,000	4	-
£90,001 - £100,000	1	1
£100,001 - £110,000	3	3
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £889k (2022: £833k).

12 Trustees' remuneration and expenses

The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments. The Governors who received remuneration are:

Mr S Munday (CEO)

Remuneration £155,001 - £160,000 (2022: £145,001 - £150,000)

Employers pension contributions £35,001 - £40,000 (2022: £35,001 - £40,000)

Ms C Pumfrey (Executive Primary Headteacher) (resigned as a director 12/12/21)

Remuneration £nil (2022: £25,001 - £30,000)

Employers pension contributions £nil (2022: £5,001 - £10,000)

Mr P Melville (COO) (resigned as director on 21/03/2023)

Remuneration £50,001 - £55,000 (2022: £90,000 - £95,000)

Employers pension contributions £nil (2022: £nil)

Please note C Pumfrey and P Melville's remuneration above is only for the time they were directors of the Trust.

Trustees' expenses

During the period ended 31 August 2023, expenses totalling £366 were reimbursed to 2 Governors in relation to course travel costs and administrative supplies (2022: £1,125 reimbursed to 2 governor).

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5M on any one claim and the cost is included in the total insurance and cannot be separated out.

14 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold buildings £'000	Assets under construction £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2022	38,756	10,591	881	1,375	573	52,176
Transfer to land and buildings	(4,094)	4,094	-	-	-	-
Additions	572	126	1,178	141	7	2,024
Disposals	-	-	-	-	(9)	(9)
At 31 August 2023	35,234	14,811	2,059	1,516	571	54,191
Depreciation						
At 1 September 2022	3,870	1,498	-	758	481	6,607
Transfer to land and buildings	(31)	31	-	-	-	-
On disposals	-	-	-	-	(4)	(4)
Charge for the year	524	296	-	190	14	1,024
At 31 August 2023	4,363	1,825	-	948	491	7,627
Net book value						
At 31 August 2023	30,871	12,986	2,059	568	80	46,564
At 31 August 2022	34,886	9,093	881	617	92	45,569

The additions on land and buildings relate to:

- LED light works accross all Schools
- WES Staffroom works
- CCTV costs
- MPA parapet
- SCP and CSM playground works
- Astroturf works

Assets under construction include new building works and a new school house for Orsett Heath Academy, as well as solar panel works.

Included in freehold land and buildings is land valued at £13,685k (2022: £13,685k) that is not depreciated.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

15 Debtors

	2023 £'000	2022 £'000
Trade debtors	41	16
VAT recoverable	243	74
Other debtors	9	4
Prepayments and accrued income	1,508	2,648
	<u>1,801</u>	<u>2,742</u>

16 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	-	1
Other taxation and social security	384	343
Other creditors	382	342
Accruals and deferred income	951	2,278
	<u>1,717</u>	<u>2,964</u>

17 Deferred income

	2023 £'000	2022 £'000
Deferred income is included within:		
Creditors due within one year	<u>303</u>	<u>459</u>
Deferred income at 1 September 2022	459	274
Released from previous years	(459)	(274)
Resources deferred in the year	<u>303</u>	<u>459</u>
Deferred income at 31 August 2023	<u>303</u>	<u>459</u>

At the balance sheet date the Multi Academy Trust was holding funds for catering, music classes, rates, trips and Universal Infant free school meals in relation to 2023/24.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2023 £'000
Restricted general funds					
General Annual Grant (GAG)	1,118	21,678	(21,157)	(759)	880
UIFSM	-	153	(153)	-	-
Pupil premium	-	1,076	(1,076)	-	-
Other DfE/ESFA grants	-	1,541	(1,541)	-	-
Other government grants	-	1,280	(1,280)	-	-
Pension reserve	(1,915)	-	(145)	2,060	-
	<u>(797)</u>	<u>25,728</u>	<u>(25,352)</u>	<u>1,301</u>	<u>880</u>
Restricted fixed asset funds					
DfE group capital grants	482	1,081	-	(1,260)	303
Private sector capital sponsorship	45,569	-	(1,024)	2,019	46,564
	<u>46,051</u>	<u>1,081</u>	<u>(1,024)</u>	<u>759</u>	<u>46,867</u>
Total restricted funds	<u>45,254</u>	<u>26,809</u>	<u>(26,376)</u>	<u>2,060</u>	<u>47,747</u>
Unrestricted funds					
General funds	3,531	1,676	(1,138)	-	4,069
Total funds	<u>48,785</u>	<u>28,485</u>	<u>(27,514)</u>	<u>2,060</u>	<u>51,816</u>

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

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 2023.

Universal Infant Free School Meals, Pupil Premium: Income received from the ESFA as described.

Other DfE/ESFA grants: This includes supplementary grant, PE & Sports grant, rates, mainstream schools additional grant, national tutoring, recovery funding, NQT grant, mental health grant, early careers framework funding and other small grants received from ESFA.

Other government grants: This includes SEN funding, nursery funding, additional pupil premium and other funding received from the Local Authority.

DfE/ESFA capital grants: This includes the devolved formula capital grant, SCA funding and other capital grants from the local authority.

The transfer of funds relate to the purchase of capital additions during the year.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

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

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	778	20,068	(19,730)	2	1,118
Start up grants	-	154	(154)	-	-
UIFSM	-	151	(151)	-	-
Pupil premium	-	956	(956)	-	-
Other Coronavirus funding	-	53	(53)	-	-
Other DfE/ESFA grants	-	681	(681)	-	-
Other government grants	-	905	(905)	-	-
Pension reserve	(12,233)	-	(1,416)	11,734	(1,915)
	<u>(11,455)</u>	<u>22,968</u>	<u>(24,046)</u>	<u>11,736</u>	<u>(797)</u>
Restricted fixed asset funds					
DfE group capital grants	316	2,904	-	(2,738)	482
Private sector capital sponsorship	43,877	-	(1,044)	2,736	45,569
	<u>44,193</u>	<u>2,904</u>	<u>(1,044)</u>	<u>(2)</u>	<u>46,051</u>
Total restricted funds	<u>32,738</u>	<u>25,872</u>	<u>(25,090)</u>	<u>11,734</u>	<u>45,254</u>
Unrestricted funds					
General funds	2,876	1,162	(507)	-	3,531
Total funds	<u>35,614</u>	<u>27,034</u>	<u>(25,597)</u>	<u>11,734</u>	<u>48,785</u>

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

Total funds analysis by academy

	2023 £'000	2022 £'000
Fund balances at 31 August 2023 were allocated as follows:		
Chadwell St Mary Primary School	1	1
Deneholm Primary School	1	1
Marshalls Park Academy	1	1
Stifford Clays Primary School	1	1
William Edwards School	1	1
Orsett Heath Academy	1	1
Central services	4,943	4,643
Total before fixed assets fund and pension reserve	4,949	4,649
Restricted fixed asset fund	46,867	46,051
Pension reserve	-	(1,915)
Total funds	51,816	48,785

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2023 £'000	Total 2022 £'000
Chadwell St Mary Primary School	889	124	13	209	1,235	1,189
Deneholm Primary School	1,520	132	18	322	1,992	1,982
Marshalls Park Academy	5,056	1,010	482	1,239	7,787	6,640
Stifford Clays Primary School	2,782	365	23	383	3,553	3,070
William Edwards School	5,185	824	475	1,018	7,502	7,042
Orsett Heath Academy	1,333	130	170	374	2,007	1,452
Central services	472	922	520	500	2,414	3,178
	17,237	3,507	1,701	4,045	26,490	24,553

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	46,564	46,564
Current assets	4,069	2,597	303	6,969
Current liabilities	-	(1,717)	-	(1,717)
Total net assets	4,069	880	46,867	51,816
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds restated £'000
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	45,569	45,569
Current assets	3,531	4,082	482	8,095
Current liabilities	-	(2,964)	-	(2,964)
Pension scheme liability	-	(1,915)	-	(1,915)
Total net assets	3,531	(797)	46,051	48,785

20 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 Essex County Council and The London Borough of Havering. Both are multi-employer 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 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £384k were payable to the schemes at 31 August 2023 (2022: £338k) 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. 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.

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury 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% employer administration charge)
- 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. The 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £2,174k (2022: £2,082k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 5.5 to 12.5% for employers and 26.4% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Total contributions made	2023 £'000	2022 £'000
Employer's contributions	1,111	920
Employees' contributions	267	221
Total contributions	1,378	1,141

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.9	3.85
Rate of increase for pensions in payment/inflation	2.9	3.5
Discount rate for scheme liabilities	5.3	4.25

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

	2023 Years	2022 Years
Retiring today		
- Males	20.7	21.3
- Females	23.2	23.75
Retiring in 20 years		
- Males	22	22.45
- Females	24.6	25.3

Scheme liabilities would have been affected by changes in assumptions as follows:

	2023 £'000	2022 £'000
Discount rate +0.1%	290	359
Salary increase + 0.1%	19	26

Defined benefit pension scheme net asset/(liability)	2023 £'000	2022 £'000
Scheme assets	14,060	12,581
Scheme obligations	(14,060)	(14,496)
Net asset/(liability)	-	(1,915)

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme

	2023 Fair value £'000	2022 Fair value £'000
Equities	7,843	6,665
Bonds	920	1,214
Gilts	144	186
Alternative assets	1,776	1,448
Property	1,491	1,701
Other assets	2,109	1,367
Asset ceiling adjustment	(223)	
	<hr/>	<hr/>
Total market value of assets	14,060	12,581
	<hr/>	<hr/>

The actual return on scheme assets was £167,000 (2022: £(210,000)).

Amount recognised in the statement of financial activities

	2023 £'000	2022 £'000
Current service cost	1,192	2,139
Interest income	(557)	(204)
Interest cost	621	401
	<hr/>	<hr/>
Total operating charge	1,256	2,336
	<hr/>	<hr/>

Changes in the present value of defined benefit obligations

	2023 £'000	2022 £'000
At 1 September 2022	14,496	24,184
Current service cost	1,192	2,139
Interest cost	621	401
Employee contributions	267	221
Actuarial gain	(2,227)	(12,026)
Benefits paid	(289)	(223)
Effect of non-routine settlements and administration expenses	-	(200)
	<hr/>	<hr/>
At 31 August 2023	14,060	14,496
	<hr/>	<hr/>

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2023 £'000	2022 £'000
At 1 September 2022	12,581	11,951
Interest income	557	204
Actuarial loss	(390)	(414)
Employer contributions	1,111	920
Employee contributions	267	221
Benefits paid	(289)	(223)
Asset ceiling adjustment	223	-
Effect of non-routine settlements and administration expenses	-	(78)
At 31 August 2023	14,060	12,581

Included within the pension assets above is an "asset ceiling adjustment". The asset ceiling is the present value of the economic benefits that the employer can recover from the plan, such as reduced contributions or cash refunds. It is deemed for the Trust that the future costs expected for the employers contributions will outweigh the future service costs and therefore there is no economic benefit to the Trust and therefore the asset value is reduced to zero.

21 Reconciliation of net income to net cash flow from operating activities

	Notes	2023 £'000	2022 restated £'000
Net income for the reporting period (as per the statement of financial activities)		971	1,437
Adjusted for:			
Capital grants from DfE and other capital income		(1,081)	(2,904)
Investment income receivable	6	(1)	(1)
Defined benefit pension costs less contributions payable	20	81	1,219
Defined benefit pension scheme finance cost	20	64	197
Depreciation of tangible fixed assets		1,024	1,044
Decrease/(increase) in debtors		941	(1,971)
(Decrease)/increase in creditors		(1,247)	1,231
Net cash provided by operating activities		752	252

22 Analysis of changes in net funds

	1 September 2022 £'000	Cash flows £'000	31 August 2023 £'000
Cash	5,353	(185)	5,168

SOUTH WEST ESSEX COMMUNITY EDUCATION TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

23 Capital commitments

	2023	2022
	£'000	£'000
Expenditure contracted for but not provided in the accounts	357	915
	<u> </u>	<u> </u>

As at 31st August 2023, the Trust was committed to a further £222k of capital works in relation to a new school house, and £135k solar panel project.

24 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 in accordance with the trust's financial regulations and normal procurement procedures.

There were no related party transactions during the year to 31 August 2023 or 31 August 2022.

25 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.