
SEAFORD HEAD ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

SEAFORD HEAD ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

J Dilley
G Sims
R Ellis
L Barnard (resigned 13 June 2018)
R Finch

Governors

J Dilley, Chair & Trustee
G Sims, Vice Chair & Trustee
R Ellis, Headteacher & Accounting Officer
S Williams, Staff Governor
J Harding, Staff Governor (resigned 30 October 2017)
N Baxter (resigned 1 May 2018)
J Tomlinson (resigned 17 January 2018)
M Walker, name change to Salisbury August 2018 (resigned 12 October 2018)
E McMullen
S Herriott
L Barnard, Trustee (resigned 13 June 2018)
R Finch, Trustee

Company registered number

08122579

Company name

Seaford Head Academy Trust

Principal and registered office

Arundel Road, Seaford, East Sussex, BN25 4LX

Finance and Personnel Committee

J Dilley, Chair
G Sims, Vice Chair
R Ellis, Headteacher & Accounting Officer
R Finch

Senior management team

R Ellis, Headteacher
D Greaves, Business Manager
A Cook, Assistant Headteacher
R Handy, Assistant Headteacher
J Mathew, Assistant Headteacher
J Waite, Assistant Headteacher
E Southern, Assistant Headteacher
S Speedie, Assistant Headteacher
J Smith, Assistant Headteacher

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors

Knill James, One Bell Lane, Lewes, East Sussex, BN7 1JU

Bankers

Barclays Bank Plc, High Street, Lewes, East Sussex, BN7 2JP

Solicitors

Eversheds LLP, Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

a. CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Trustees of Seaford Head Academy Trust are the directors of the charitable company for the purpose of company law and are made up of various members from the Board of Governors.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

The principal object of the company, in accordance with its Articles of Association, is to advance for the public benefit education by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

b. MEMBERS' LIABILITY

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

c. GOVERNORS' INDEMNITIES

Governors are insured through the ESFA's Risk Protection Arrangement (RPA).

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

Members may appoint up to 8 Governors. Members may appoint Staff Governors to a maximum (including the Headteacher) of one third of the total number of Governors. The Headteacher is an ex officio Governor. Parent Governors are elected by parents of registered pupils. A Parent Governor must be a parent or carer of a pupil of Seaford Head School at the time when he/she is elected. Arrangements will be made for a secret ballot in the event that the election is contested. If the number of Parent Governors standing for election is less than the number of vacancies the governing body can appoint Parent Governors who will be the parent of a registered pupil or the parent of a child of compulsory school age. Governors may appoint up to 3 co-opted Governors. The term of office for all Governors (except the Headteacher) is 4 years.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

All new Governors are issued with a welcome pack comprising a range of information about the school and the governing body. Governors are sent details of LA training programmes and links to the LA Governor services website into which the school subscribes. The school carries out in-house training and all Governors are sent

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

the School's Self Evaluation Form (SEF). Governors are attached to a curriculum area and will meet with the SLT link before undertaking any school visits. Training needs are identified by the Headteacher, Chair of Governors and Clerk to Governors and recommended to Governors as required.

f. ORGANISATIONAL STRUCTURE

The school is governed by the Full Governing Body (FGB) which meets 7 times a year. This body is collectively responsible for setting policy in all areas, strategic decisions regarding the future direction and operation of the school and senior appointments. They deal with and report on Finance and Personnel and Standards. There are separate sub committees which deal with Admissions and Pay. The FGB is responsible for ensuring that the school meets all its statutory and governance obligations and through the Headteacher and Business Manager that it complies with financial regulations. The FGB delegates operational functions to the Headteacher. The FGB operates in line with the terms of reference which governs their remit and operation. The Headteacher has overall responsibility for the school's activities and is the Accounting Officer. Responsibilities for formulation of the annual budget, financial controls and accounts production is delegated to the Business Manager and Finance team. Operational functions are delegated to Senior Leadership Team staff members. The Senior Leadership Team (SLT) comprises the Headteacher, the Business Manager and 6 Assistant Headteachers. This team meets weekly and the Headteacher meets weekly with key members of the leadership group.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The school operates pay and progression requirements in line with procedures established in the Appraisal Policy (which is reviewed annually by Governors). The Staffing Structure details the pay band for the Headteacher, SLT members and the School Business Manager and progression is contained within these bands.

The Performance Management / appraisal procedure for all staff takes place in October each year and assesses achievement against targets. Progression recommendations are reviewed by Governors who will make the final decision on any such moves. The task of appraising the Headteacher, including the setting of objectives will be by a sub-group of the Governing Body comprising two members, supported by a suitably skilled and/or experienced external adviser who has been appointed by the Governing Body for that purpose. Objectives will be focused on key school priorities and take account of the relevant Headteacher standards. They will be set before or as soon as practicable after, the start of each appraisal period.

The Headteacher will appraise other Senior Leadership Team members and the School's Business Manager.

Appraisal in this school is a supportive and developmental process designed to ensure that all staff have the skills and support they need to carry out their role effectively.

Setting Appraisal Objectives

The objectives set for all staff will be Specific, Measurable, Achievable, Realistic and Time-bound and will be appropriate to the staff member's role and level of experience. The objectives set will, if achieved, contribute to the school's plans for improving the educational provision and performance and improving the education of students at the school:

Objective 1 - By ensuring that the "Achieving Excellence" objectives addresses key attainment priorities identified within the School Improvement Plan.

Objective 2 - By ensuring that the "Achieving Excellence in Teaching" (teaching and learning) objective focuses on development areas in the School Improvement Plan.

Objective 3 - By ensuring that the "Professional Development" objective refers specifically to the National Standards and is appropriate to the career stage of the staff member.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objective 4 - By ensuring that the "Excellence in Leadership" objective addresses any key development or school improvement priorities and takes account of the relevant standards.

Annual assessment

Each member of staff's performance related pay award is formally assessed in respect of the appraisal period. In assessing the performance of the Headteacher, the Governing Body will consult the external adviser.

This assessment is the end point to the annual appraisal process, but performance and development priorities for the senior staff detailed above are reviewed and addressed on a regular basis throughout the year by means of:

- Lesson / task observations
- Planning and work scrutiny
- Self-review in terms 2 and 6
- Interim review meeting with the appraiser in term 3
- Observation / scrutiny of leadership and management activities where appropriate
- Line Management meetings
- Other feedback received or obtained during the cycle relevant to overall performance
- Monitoring of internal data on attainment and progress

Within two months of the end of each appraisal period, the member of staff will receive and have the opportunity to comment in writing on their Appraisal Report. The Appraisal Report will include:

- Details of the staff member's objectives for the appraisal period in question
- An assessment of the staff member's performance in their role
- Responsibilities against their objectives and the relevant standards
- An assessment of the staff member's training and development needs and identification of any action that should be taken to address them
- A recommendation on pay

h. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£000
Total cost of facility time	1
Total pay bill	2,943
Percentage of total pay bill spent on facility time	0.034 %

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours **100.000** %

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy has a related party relationship with Linic Security Training through N Baxter, a Governor.

Objectives and Activities

a. OBJECTIVES, STRATEGIES AND ACTIVITIES

The principal object and activity of the school is to advance, for the public benefit, education of the highest standard offering a broad and balanced curriculum.

The school's mission is to improve and maximise the progress of all students from Year 7 – 13.

The principal aims of the Academy Trust are to:

- provide a happy, high quality learning and teaching environment that ensures all students will achieve their personal best
- ensure students receive appropriate guidance so that they become good citizens
- guide students so that they are equipped to undertake further education and for the world of work
- ensure students enjoy their time at Seaford Head School and develop their talents and interests in order that they derive maximum benefit from their time at the school
- ensure best value for money is achieved from the funds expended
- conduct the Academy Trust's business in accordance with the highest standards of integrity and probity.

Objective One: Student Achievement

To raise the attainment, achievement and progress of all students through the effective interpretation of data, intervention, mentoring and partnerships with parents.

Strategic Responsibility: Headteacher; Head of Sixth Form; All Assistant Headteachers through line management and strategic responsibilities.

Enjoy and Achieve / Make a Positive Contribution / Achieve Economic Wellbeing.

Key Outcomes:

- Ensure that Pupil Premium ('PP') students achieve and attain above national average for the gap
- Closed the gap of the Attainment 8 and Progress 8 score of all PP students in comparison with National Non-PP students
- Narrowed the gap further between progress of Pupil Premium and National non-Pupil Premium students to less than 10 points in Attainment 8 and less than 0.6 on Progress 8 in 2018. This is a relatively new way of measuring PP attainment and progress.
- Improved progress and attainment in all A Level subjects to be minimum of ALPS 5. Alps T score for A level in 2018 was 5. This continues to show progress in line with national expectations. LV3A also continued to improve and 2018 showed results improving in progress to -0.04.
- Embedded the use of Go 4 Schools, SISRA and ALPS Connect (at KS5) as analysis tools to identify underachievement, specifically working with new GCSEs and 'A' levels. It was used for all data entry points and to produce individual subject analysis.
- LV3A measure for current Year 13 cohort is expected to be in line with the national picture

GOVERNORS' REPORT (continued)
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Objective Two: Quality of teaching and learning

To ensure the quality of all lessons is consistently high, through effective teaching, purposeful marking and feedback and excellent student engagement

Strategic Responsibility: Assistant Headteacher in charge of Learning and Teaching

Key Outcomes:

- CPD ensures discussion and debate to challenge all staff to develop pedagogy at all career stages. CPD also allows for peer collaboration for coaching, sharing of best practice and development of new practices to support the best possible outcomes for all students
- CPD programmes closely link to appraisal and the school improvement plan
- Differentiation is provided for different groups of students to allow all groups to progress rapidly in each year
- Progress of all vulnerable students is good
- Quality assurance procedures are rigorous and drive professional development

Objective Three: Behaviour, Safety and Academic Mentoring

To ensure the safety and well-being of all students.

Strategic Responsibility: Assistant Headteacher
Stay safe/ Be healthy/ Enjoy and Achieve

Key Outcomes:

- Attendance target of 96% was not met. The school achieved 95.4% which was an increase of 0.4% on the previous year
- Year 11 attendance improved to 95.6% from 95.3%
- There was a significant reduction in the number of students needing to be relocated from a lesson
- There were no permanent exclusions in 2017/18 and Seaford Head School had the lowest number of fixed term exclusions in the whole of East Sussex
- The Staff and Student Survey showed that 91% of students felt safe at School

Objective Four: Leadership and Management

Improve leadership at all levels to further support improved student progress and outcomes.

Strategic Responsibility: Headteacher, Governors, Assistant Head Teacher inclusion, Head of Sixth Form, All SLT

Be Safe / Enjoy and Achieve / Make a Positive Contribution/ Be healthy

Key Outcomes:

- Strong and effective governance through self-audit and programme of training
- A strategic plan for the development and sustainability of the Sixth Form to include Taster Days offer and Student Voice opportunities, to support in recruitment, marketing and curriculum evaluation. Curriculum planning and implementation of KS5 to include developing a comprehensive enrichment programme that includes WEX offer, Duke of Edinburgh, EPQ and Young Enterprise
- Appropriate levels of safeguarding throughout the school with training provided to prevent female genital mutilation and child sexual exploitation
- A modified curriculum which continued to deliver a broad and balanced curriculum allowing for the needs of local community and new government performance targets
- Continued to embed SEN code of practice

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b. PUBLIC BENEFIT

The Governors have referred to the guidance on public benefit published by the Charity Commission. The school's stated object includes advancing for the public benefit education in the United Kingdom by establishing, maintaining, carrying on managing and developing a school offering a broad and balanced curriculum.

The school provides facilities for recreation for the community through its links with Wave Leisure Trust, Caravan Clubs, Seaford Town Football Club, Seaford Netball Club, Force Basketball, Seaford Horticultural Society, the Band of Brothers, the Women's League of Health And Beauty, Full Beam Productions, a local Nursery School, Seaford Silver Band, Scout Group (Sixteenth Seaford (St Luke's)), Martello Rotary Club, Seaford Rotary Club and a Church Group.

Strategic report

Achievements and performance

a. REVIEW OF ACTIVITIES

The Academy Trust has ended another year with an extremely positive set of results at GCSE. Pupil numbers have increased slightly at the end of the 2017/18 Academic year (1,293 students) compared to the previous year at that stage (1,233 students). The Sixth Form contributed 120 students to this number.

The focus on English and maths, with increased staffing in these subject areas allowing for smaller class sizes and increased levels of intervention / support, has once again boosted attainment.

Following an Ofsted inspection during September 2017 the school was rated 'Outstanding'.

Examination Results for 2017-18

The school has recorded a twelfth year of impressive results, placing it in the top 20% of Secondary schools for a range of new headline measures in East Sussex in 2017 based on Attainment 8, Ebacc, 9-4 and 9-5 in Maths and English.

GCSE Results	2018	2017	2016
Percentage of students achieving 9 – 5 in maths and English	49.1%	48%	n/a
National Average results	40.2%	39%	n/a
Percentage of students achieving 9 – 5 in maths	52.9%	49.8%	n/a
National Average results	43%	48.1%	n/a
Percentage of students achieving 9 – 5 in English	57.6%	58.9%	n/a
National Average results	44.6%	47.9%	n/a
Ebacc 9-5	15%	21.5%	n/a
National Average results	16.6%	15.2%	n/a
Attainment 8	47.54	48.6	52.85
National Average results	46.5	46.1	49.8
Progress 8	0.37	0.27	0.33
National Average results	-0.02	-0.03	-0.03

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GOVERNORS' REPORT (continued)
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Financial review

Most of the funding received by Seaford Head Academy Trust is derived from the Education and Skills Funding Agency by way of grants - the use of which is restricted. These are detailed in the statement of Financial Activities. During the year to 31 August 2018 income was £6,554k and expenditure £7,082k.

In addition the school was successful with a CIF bid of £155k in December 2017. This has enabled all but one of the Steyne Road site electrical intakes which are at end of life to be replaced and has removed the risk of imminent electrical failure. This is in addition to the December 2016 CIF funding obtained (£530k) which has enabled the remainder of the failed roofing to be replaced.

a. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The regular funding stream received from the ESFA to support the Academy's requirements is such that when combined with carefully constructed budgets, the risk of cash flow difficulties is minimal. Governors have assessed the major financial risks which are: excessive staffing, falling student numbers and lack of growth within the 6th form, a major buildings maintenance requirement or an IT failure. Appropriate insurance cover is in place through the Risk Protection Arrangement (RPA) to mitigate against unforeseen insurable occurrences. Cashflow is continually monitored to ensure that the Academy has sufficient funds to meet requirements as they fall due but at present the school's cash position is healthy.

The school's Local Government Pension Scheme (LGPS) liability as at 31 August 2018 has decreased since last year's valuation (£184k as at 31 August 2018 vs £387k as at 31 August 2017). Once again the valuations are based on bond valuations etc which are impacted by, amongst other things, Government policy and world market fluctuations. Actuarial assumptions which the Scheme's actuaries are compelled to apply to their calculations are also strictly controlled. Governors are of course very mindful of the liability that sits on the Balance Sheet but understand that any fluctuations in the School's LGPS valuation are beyond our control. The positive shift in the level of liability during the last year is, however, welcomed.

Governors prudently opted to tackle the deficit (£210k) inherited upon Academy conversion in 2012 by paying an increased level of Employer's Pension Contribution in order to achieve a deficit reduction and eliminate the deficit within 20 years but clearly these efforts have had no significant impact on the outstanding debt.

The work of external auditors and the Responsible Officer in checking that internal control procedures are adhered to further reduces risk.

b. RESERVES POLICY

Governors agreed to establish a surplus in the region of 5% of income equating to approximately £300,000. Funds have, however, built above this in the last few years as we must have resources available to support the Governors' commitment to establish and consolidate the relatively new Sixth Form over the short term. This is the main focus of Governors' attention at present as the drain on funds brought about from lower than expected Sixth Form numbers is unsustainable. (This operation will be under review in September 2019 once student numbers are known for the 2019/20 academic year).

In addition we need funds to meet the anticipated costs of various essential projects. These include:

- vital electrical works on both main school sites to overcome problems of substantial system overload and aged panels which need exchanging
- the two mobile classrooms (estimated to be over 30 years old) on site are in a dreadful state and need to be replaced
- the play area on one of the sites is starting to prove hazardous and will need re-working before too long
- Four boilers are at end of life and need replacement
- a significant number of uPVC windows and doors are approaching end of life and will need replacing

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- a significant number of classrooms require the lighting upgrading in order to overcome unit failure and in addition to reduced energy consumption.
- Arundel Road site needs a large classroom converting to an all-purpose science laboratory.

As at 31 August 2018 the sums held were:

- GAG - £1,337k
- General unrestricted fund - £289k
- Pension Reserve - (£184k)
- Restricted Fixed Asset Fund - £16,967k

c. MATERIAL INVESTMENTS POLICY

At present the Academy's only policy is to 'sweep' cash funds in excess of £1,000 each day into an interest bearing account within Barclays Bank PLC. This ensures that funds are always immediately available to meet the cash requirements of the Academy Trust and minimises risk to the Academy.

d. KEY PERFORMANCE INDICATORS

Key Financial Performance indicators must focus on Staffing salary costs as a percentage of ESFA Pupil Led Funding / Education Services Grant / Other Factors which for 2017/18 was 82.99%. This is broken down as follows: Teaching Staff 62.20%, Education Support Staff 8.99%, Administrative Staff 8.62%, Sites Staff 3.18%.

The Exam results for 2017/18 (as detailed in the Strategic Report) were once again excellent with the school proving again to be one of the best in East Sussex. This continues the trend of the previous twelve years indicating appropriate use of available funds.

e. GOING CONCERN

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

f. PRINCIPAL RISKS AND UNCERTAINTIES

The management of risks to the school is undertaken in accordance with the Funding Agreement and the Academies Financial Handbook.

The Governing Body is responsible for risk management and for maintaining a sound system of internal controls that supports the achievement of its objectives, whilst safeguarding public funds, other funds and assets for which it is responsible. The Governing Body is advised in this role by the School's Business Manager and both are advised and informed by the Senior Leadership Team.

The major risks to which the school is exposed and the management of those risks is as follows:
Strategic and Reputational risks - which are maintained by:

- achieving excellent examination results
- achieving favourable Ofsted report
- ensuring high levels of student discipline
- careful attention to Health and Safety matters
- excellent relations with the local community
- ensuring no adverse publicity impacts on the school
- rigorous DBS checking and site entry control

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- appropriate insurance cover

Financial risks - which are overcome by:

- careful and detailed budgeting based on the best information available
- staffing levels established at the optimum level
- careful cost and budget control
- rigorous adherence to financial control systems
- cash flow projections and monitoring
- maintaining high student numbers
- keeping a watchful eye on Sixth Form recruitment, numbers and costs
- achieving best value at all times
- regular and appropriate buildings maintenance and upgrade programmes
- appropriate insurance cover
- appropriate IT system back-up systems and procedures
- the work of external auditors and the Responsible Officer

Operational and Personnel risks - which are controlled through:

- quality checks on management information produced
- adherence to recruitment procedures
- having appropriate policies and procedures
- staff retention
- robust performance management/appraisal procedures
- appropriate staff training
- attention to Health and Safety risks – which will be managed through:
- appropriate and rigorous risk assessment
- regular premises checks
- careful, appropriate and regular premises maintenance
- contractor involvement as appropriate
- fire safety checks
- appropriate insurance cover

Compliance Risks - which are controlled through:

- monitoring employment legislation
- keeping abreast of H&S legislation and risks
- adherence to data protection protocols
- welfare legislation compliance
- adherence to requirements of mental health legislation

Governors have identified the following risks and uncertainties facing the Academy Trust:

Reputational Risks - the continuing success of Seaford Head Academy Trust is dependent on excellent results being achieved by maintaining the highest standards of learning and teaching. Governor involvement in reviews, lesson observation and standards aims to ensure that results are of the highest standard. Governors also give consideration to other aspects of school life including Health and Safety and safeguarding.

Financial Risk - funding from the ESFA / Government comprises 99% of all funding received and clearly the continuation of this funding is key to financial security. However, there is always a risk that even minor funding cuts could be introduced which would have a significant detrimental effect on the Academy's financial position. The effects of inflation on a static income budget are significant and must be considered in future planning. The impact of the increase in the Teachers' Pension Scheme (TPS) Employers' Contributions from 1st September 2015 and the abolition of contracting out with a resulting increase in Class 1 NICs from 6th April 2016 along with the introduction of the Apprenticeship Levy in April 2017 has been significant and detailed planning in order to reduce costs and keep the budget in balance has been a challenge. Whilst these increases are not recent the impact of their introduction is of course still felt. Further planned increases in TPS Employers' contributions will be significant and if not fully funded by the Government as will salary increases that exceed equivalent funding increases.

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The results of the 'National Funding Formula' which was looking to address disparity in schools' funding across the country started to apply in 2018/19. So far this has not benefitted the School. There is absolutely no clarity in terms of the future level of funding at this stage.

Operational and Personnel Risks - Governors ensure that the highest standards are maintained when recruiting and monitoring staff, applying safeguarding procedures and adhering to Health and Safety requirements.

Compliance Risks - are controlled through the services of professionals where required.

Plans for future periods

a. FUTURE DEVELOPMENTS

Seaford Head Academy Trust will strive to raise student achievement to the best levels possible in order to ensure that they can move on to their desired future course of study. This will be carried out through staff and curriculum development so that the School is equipped to deliver to the highest possible standard.

The Academy Trust was awarded funding of almost £1.7m to re-establish a Sixth Form at Seaford Head from September 2014. The project involved the refurbishment of a disused building together with an element of new-build on the site to accommodate two Science Laboratories and an ICT Suite all of which was completed in the Spring of 2015. Student numbers have not increased as anticipated despite the first two sets of 'A' Level results that were announced in August 2017 and August 2018 being very good. The challenge continues to be that we must rapidly build student numbers and establish a successful, viable Sixth Form operation.

It is planned to carry out a range of further necessary improvements on the schools' three sites during 2018/19 using available funds in order to upgrade both the structure of the building and the facilities within. This is of course an ongoing process which will never be completed but it is fair to say that the fabric of the buildings is now in a very good state. Investment put into further required work will remove the risk of classroom closure and secure the fabric of the buildings preventing internal damage.

Further work will be required in future years to upgrade electrical intake installations which are approaching end of life and in some cases are significantly overloaded. We shall upgrade available supplies and upgrade internal lighting installations which are failing. In addition we need to consider re-surfacing playground areas that are becoming unsafe and replacing four boilers which are proving very unreliable. There will have to be a programme of window and door replacement within the next three or four years. We have two mobile classrooms which are rapidly approaching end of life and consideration must be given to their replacement in the most cost effective way over the next two years or so before they become unsafe and unusable.

All of these works are essential in order that the massive improvements in results and standards that have been achieved in the last decade can be maintained and built upon in the future.

FUNDS HELD AS CUSTODIAN

The Academy Trust and its Governors do not act as Custodian Trustees of any other charity.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Governors are aware:

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

AUDITORS

Knill James have been appointed as auditors for year ended 31 August 2018, and have indicated their willingness to continue in office.

The Governors' report, incorporating a strategic report, was approved by order of the Governors, as the company directors, on 4 December 2018 and signed on its behalf by:

J Dilley
Chair

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Governors 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 Seaford Head Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Governors have formally met 7 times during the year. Attendance during the year at meetings of the Governors was as follows:

Governor	Meetings attended	Out of a possible
J Dilley, Chair	7	7
G Sims, Vice Chair	5	7
R Ellis, Headteacher & Accounting Officer	7	7
S Williams, Staff Governor	6	7
J Harding, Staff Governor (resigned 30 October 2017)	1	1
N Baxter (resigned 1 May 2018)	0	7
J Tomlinson (resigned 17 January 2018)	2	2
M Walker (change of name to Salisbury August 2018)	6	7
E McMullen	7	7
S Herriott	6	7
L Barnard (resigned 31 August 2018)	5	7
R Finch	6	7

M Salisbury resigned with effect from 12 October 2018.

In addition to the AGM, the Board of Trustees formally met once this year as follows:

Trustee	Meetings attended	Out of a possible
J Dilley, Chair	1	1
G Sims, Vice Chair	1	1
L Barnard (resigned 31 August 2018)	1	1
R Finch	1	1

There are currently no other Committees.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Governors where value for money can be improved,

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GOVERNANCE STATEMENT (continued)

including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- discussing budgets at length in order to challenge proposals and ensure effective deployment of funds so that value for money is achieved
- ensuring sound systems of control (financial and teaching review) to provide quality within educational delivery in order to maximise results attainment and to develop young people who possess the skills required to thrive in the world of work and further education
- placing budget responsibility and accountability on managers so that they work effectively in respect of achieving best value within their respective areas
- establishing a staffing structure which ensures that staff are deployed in the most efficient way possible. The financial implications of any planned changes to the structure are costed to ensure they are affordable and achieve the required cost benefits
- performance management procedures ensure that staff performance is closely monitored with particular emphasis on the achievement of outstanding lessons by teaching staff. Learning walks are undertaken by senior staff to monitor lesson standards
- tackling shortcomings through a programme of mentoring, training and support which ensures that an acceptable standard is achieved - in turn ensuring that best value is achieved for the school from this area of expenditure

GCSE headline results for 2018 were as follows:

- 49% of students achieved at least 9 – 5 in English and Mathematics
- 15% of students attained EBACC (9 – 5)
- Attainment 8 was 47.54
- Progress 8 = 0.37

Five years ago, the Government announced a new floor standard for secondary schools which measures the value-added score for students' best 8 GCSE qualifications (including up to two equivalent qualifications) in the EBacc subject areas. It analyses how students from Seaford Head School made progress from their primary school based on their Key Stage 2 attainment data through to their examinations at the end of KS4. This performance indicator is called PROGRESS 8 and this has become the key headline measure for all schools.

A Progress 8 score of 0 shows that students in a school have made expected progress. A score above 0 shows that students in a school are making better than expected progress. In 2018 the Progress 8 score for Seaford Head School was +0.37. This means that on average students achieve a third of a grade higher than other students nationally. The Progress 8 score this year was good enough to put Seaford Head School in the top 20% of all schools nationally for progress and is a significant achievement.

The attainment of students in the following subjects: English, English literature, mathematics, biology, chemistry, physics, core and additional sciences, art, French, geography, history, Spanish, food technology, product design, media studies and business communication were in line with or above the National Average.

Individual students have had their attainment levels improved through increased staffing allocations for the academic year allowing for one-to-one and one-to-small group support for students underachieving in the core subjects of English, maths and science.

In both English and maths, increased teaching capacity has enabled staff to withdraw underachieving students to provide focussed intervention within both curriculum time and during tutor time. Additional support was also provided to 9-7 students. This input was reflected in the results achieved with the percentage of students getting 9-7 being above the national average for both English and Maths.

Middle and higher ability students have a curriculum offer from Years 9 -11 which includes English Language and Literature, double science and a humanities subject and a foreign language.

Seaford Head School works in collaboration with other schools in the Eastbourne and Hailsham areas in order

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GOVERNANCE STATEMENT (continued)

to share good practice, to buy-in necessary training and professional advice at a reduced cost, and to share in the development of resources for introduction across the schools. The school is fully committed to its mission statement of "Achieving Excellence Together".

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Seaford Head Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Governors have 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 Governors are 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 year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governors.

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 Governors;
- regular reviews by the Governors 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 Governors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mrs Tracy Comfort, the Business Manager of a neighbouring school as Responsible Officer ("RO") to perform peer review.

The RO's role includes giving advice on financial system/control matters and performing a range of checks on the Academy Trust's financial (and other) systems. In particular the checks carried out in the current period included:

- Payroll & Personnel
- Income
- The accounting system
- Purchasing
- Financial Closedown Processes & Procedures
- Required annual checks on Environmental legislation

SEAFORD HEAD ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

The RO reports to the Governors on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Governors are closely involved in both the budget-setting process and monitoring reviews that are reported to them in advance of their scheduled meetings which take place seven times in the financial year and three of which focus on Finance.

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 RO;
- the work of the external auditors;
- 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 Governors and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governors on 4 December 2018 and signed on their behalf, by:

J Dilley
Chair

R Ellis, Headteacher
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Seaford Head Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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

R Ellis
Accounting Officer

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors (who are also the directors of the Charitable Company for the purposes of Company Law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governors on 4 December 2018 and signed on its behalf by:

J Dilley
Chair

SEAFORD HEAD ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEAFORD HEAD ACADEMY TRUST**

OPINION

We have audited the financial statements of Seaford Head Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEAFORD HEAD ACADEMY TRUST**

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 Governors' responsibilities, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the academy'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 Governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SEAFORD HEAD ACADEMY TRUST**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Susan Foster FCA (Senior statutory auditor)

for and on behalf of

Knill James

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU
7 December 2018

SEAFORD HEAD ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SEAFORD HEAD ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 5 June 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Seaford Head Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF SEAFORD HEAD ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Seaford Head Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our normal audit procedures do provide assurance with regard to the regularity engagement, however some additional testing has been undertaken. This included:

- direct consideration and corroboration of evidence used to inform the accounting officer's statements;
- extension of procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- consideration of whether expenditure outside of the academies delegated authorities (if any) has

SEAFORD HEAD ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SEAFORD
HEAD ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

- received departmental approval;
- evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- assessment of the adequacy of policies and procedures to ensure compliance with the framework of authorities;
- consideration of whether the absence of a control (if any) represents a breach of authorities;
- review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts;
- extension of testing to other funds, activities conducted, consideration of propriety, or the review of high level financial controls.

CONCLUSION

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

Susan Foster FCA

Knill James

Chartered Accountants

One Bell Lane
Lewes
East Sussex
BN7 1JU

7 December 2018

SEAFORD HEAD ACADEMY TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
INCOME FROM:						
Donations and capital grants	2	-	-	181	181	585
Charitable activities	3	101	6,250	-	6,351	6,387
Investments	4	22	-	-	22	24
TOTAL INCOME		<u>123</u>	<u>6,250</u>	<u>181</u>	<u>6,554</u>	<u>6,996</u>
EXPENDITURE ON:						
Charitable activities		<u>53</u>	<u>6,434</u>	<u>595</u>	<u>7,082</u>	<u>6,979</u>
TOTAL EXPENDITURE	5	<u>53</u>	<u>6,434</u>	<u>595</u>	<u>7,082</u>	<u>6,979</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	70	(184)	(414)	(528)	17
		-	54	(54)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		70	(130)	(468)	(528)	17
Actuarial gains on defined benefit pension schemes	20	-	398	-	398	995
NET MOVEMENT IN FUNDS		<u>70</u>	<u>268</u>	<u>(468)</u>	<u>(130)</u>	<u>1,012</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		<u>219</u>	<u>885</u>	<u>17,435</u>	<u>18,539</u>	<u>17,527</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>289</u></u>	<u><u>1,153</u></u>	<u><u>16,967</u></u>	<u><u>18,409</u></u>	<u><u>18,539</u></u>

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REGISTERED NUMBER: 08122579

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Tangible assets	12		16,863		16,878
CURRENT ASSETS					
Debtors	13	621		985	
Cash at bank and in hand		1,619		1,716	
		<u>2,240</u>		<u>2,701</u>	
CREDITORS: amounts falling due within one year	14	(510)		(653)	
NET CURRENT ASSETS			<u>1,730</u>		<u>2,048</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	20		(184)		(387)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>18,409</u>		<u>18,539</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	1,337		1,272	
Restricted fixed asset funds	16	16,967		17,435	
Restricted income funds excluding pension liability		<u>18,304</u>		<u>18,707</u>	
Pension reserve		(184)		(387)	
Total restricted income funds			<u>18,120</u>		<u>18,320</u>
Unrestricted income funds	16		289		219
TOTAL FUNDS			<u>18,409</u>		<u>18,539</u>

The financial statements on pages 25 to 48 were approved by the Governors, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:

J Dilley
Chair of Trustees

SEAFORD HEAD ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>298</u>	<u>817</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		4	8
Purchase of tangible fixed assets		(580)	(746)
Capital grants from DfE		181	26
Net cash used in investing activities		<u>(395)</u>	<u>(712)</u>
Change in cash and cash equivalents in the year		(97)	105
Cash and cash equivalents brought forward		<u>1,716</u>	<u>1,611</u>
Cash and cash equivalents carried forward	19	<u><u>1,619</u></u>	<u><u>1,716</u></u>

SEAFORD HEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling which is also the functional currency of the academy trust. Monetary amounts in these financial statements are rounded to the nearest £1.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

SEAFORD HEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

SEAFORD HEAD ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	-	2% straight line
Fixtures, fittings and equipment	-	10% straight line
Computer equipment	-	33% 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.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

1.6 Operating leases

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

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

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FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 Liabilities and provisions

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

1.13 Agency arrangements

The academy trust acts as an agent in the administering of 16-19 bursary funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the academy trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

1.14 Fund accounting

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Capital Grants	181	181	<i>585</i>
<i>Total 2017</i>	585	585	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
DfE/ESFA grants				
General annual grant (GAG)	-	5,917	5,917	6,029
Other DfE/ESFA grants	-	261	261	262
	-	6,178	6,178	6,291
Other government grants				
Local authority grants	-	72	72	45
	-	72	72	45
Other funding				
Other incoming resources	101	-	101	51
	101	-	101	51
	101	6,250	6,351	6,387
<i>Total 2017</i>	50	6,337	6,387	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Hire of facilities	18	-	18	16
Investment income	4	-	4	8
	22	-	22	24
<i>Total 2017</i>	24	-	24	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	<i>Total 2017 £000</i>
Educational Operations:					
Direct costs	4,390	95	342	4,827	4,746
Support costs	976	965	314	2,255	2,233
	<u>5,366</u>	<u>1,060</u>	<u>656</u>	<u>7,082</u>	<u>6,979</u>
<i>Total 2017</i>	<u>5,185</u>	<u>1,187</u>	<u>607</u>	<u>6,979</u>	

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	<i>Total 2017 £000</i>
Educational Operations	4,827	2,255	7,082	6,979
<i>Total 2017</i>	<u>4,746</u>	<u>2,233</u>	<u>6,979</u>	

Analysis of support costs

	Educational Operations £000	Total 2018 £000	<i>Total 2017 £000</i>
Pension income	12	12	25
Staff costs	916	916	869
Depreciation	500	500	486
Recruitment & support	61	61	60
Maintenance	238	238	313
Cleaning	42	42	62
Rates	65	65	52
Energy costs	86	86	55
Insurance	34	34	34
Other support costs	272	272	243
Audit fees	11	11	15
Professional fees	18	18	19
	<u>2,255</u>	<u>2,255</u>	<u>2,233</u>
<i>At 31 August 2017</i>	<u>2,233</u>	<u>2,233</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	<i>2017</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	595	<i>672</i>
Auditors' remuneration - audit	11	<i>15</i>
Auditors' remuneration - other services	-	<i>4</i>
Operating lease rentals	10	<i>10</i>
	=====	<i>=====</i>

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

8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	<i>2017</i>
	£000	<i>£000</i>
Wages and salaries	3,982	<i>3,830</i>
Social security costs	385	<i>368</i>
Operating costs of defined benefit pension schemes	862	<i>795</i>
	5,229	<i>4,993</i>
Agency staff costs	76	<i>132</i>
Staff development and other staff costs	61	<i>60</i>
	5,366	<i>5,185</i>

b. Staff numbers

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

	2018	<i>2017</i>
	No.	<i>No.</i>
Teachers	76	<i>75</i>
Administration and support	64	<i>65</i>
Management	9	<i>9</i>
	149	<i>149</i>

c. Higher paid staff

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

	2018	<i>2017</i>
	No.	<i>No.</i>
In the band £100,001 - £110,000	1	<i>1</i>

d. Key management personnel

The key management personnel of the academy trust comprise the governors 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 £636,631 (2017 - £614,130).

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

9. GOVERNORS' REMUNERATION AND EXPENSES

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

		2018	<i>2017</i>
		£000	<i>£000</i>
R Ellis, Headteacher	Remuneration	105-110	<i>100-105</i>
	Pension contributions paid	15-20	<i>15-20</i>
S Williams, Staff governor	Remuneration	15-20	<i>15-20</i>
	Pension contributions paid	0-5	<i>0-5</i>
M Salisbury, Staff governor	Remuneration	35-40	<i>35-40</i>
	Pension contributions paid	5-10	<i>5-10</i>

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £NIL).

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

11. OTHER FINANCE INCOME

	2018	<i>2017</i>
	£000	<i>£000</i>
Interest income on pension scheme assets	76	<i>48</i>
Interest on pension scheme liabilities	(88)	<i>(73)</i>
	(12)	<i>(25)</i>

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

12. TANGIBLE FIXED ASSETS

	Land and buildings £000	Furniture and fixtures £000	Computer equipment £000	Total £000
Cost				
At 1 September 2017	16,387	2,367	688	19,442
Additions	534	14	32	580
Disposals	-	-	(8)	(8)
At 31 August 2018	<u>16,921</u>	<u>2,381</u>	<u>712</u>	<u>20,014</u>
Depreciation				
At 1 September 2017	959	1,031	574	2,564
Charge for the year	262	238	95	595
On disposals	-	-	(8)	(8)
At 31 August 2018	<u>1,221</u>	<u>1,269</u>	<u>661</u>	<u>3,151</u>
Net book value				
At 31 August 2018	<u>15,700</u>	<u>1,112</u>	<u>51</u>	<u>16,863</u>
At 31 August 2017	<u>15,428</u>	<u>1,336</u>	<u>114</u>	<u>16,878</u>

13. DEBTORS

	2018 £000	2017 £000
Trade debtors	25	2
VAT recoverable	191	296
Other debtors	20	5
Prepayments and accrued income	385	682
	<u>621</u>	<u>985</u>

14. CREDITORS: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	176	118
Other taxation and social security	95	95
Other creditors	175	181
Accruals and deferred income	64	259
	<u>510</u>	<u>653</u>

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

15. FINANCIAL INSTRUMENTS

	2018 £000	2017 £000
Financial assets measured at amortised cost	<u>236</u>	<u>303</u>
Financial liabilities measured at cost less impairment	<u>446</u>	<u>394</u>

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	219	123	-	-	-	342
Other General funds	-	-	(53)	-	-	(53)
	<u>219</u>	<u>123</u>	<u>(53)</u>	<u>-</u>	<u>-</u>	<u>289</u>
Restricted funds						
General Annual Grant (GAG)	1,272	6,250	(6,292)	54	-	1,284
Pension reserve	(387)	-	(195)	-	398	(184)
Other Restricted funds	-	-	53	-	-	53
	<u>885</u>	<u>6,250</u>	<u>(6,434)</u>	<u>54</u>	<u>398</u>	<u>1,153</u>
Restricted fixed asset funds						
Transferred on conversion	12,831	-	(499)	-	-	12,332
DfE/ESFA capital grants	4,360	181	(96)	-	-	4,445
Capital expenditure from GAG	225	-	-	(41)	-	184
Private sector capital sponsorship	19	-	-	(13)	-	6
	<u>17,435</u>	<u>181</u>	<u>(595)</u>	<u>(54)</u>	<u>-</u>	<u>16,967</u>
Total restricted funds	<u>18,320</u>	<u>6,431</u>	<u>(7,029)</u>	<u>-</u>	<u>398</u>	<u>18,120</u>
Total of funds	<u>18,539</u>	<u>6,554</u>	<u>(7,082)</u>	<u>-</u>	<u>398</u>	<u>18,409</u>

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

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

16. STATEMENT OF FUNDS (continued)

Restricted general fund - This fund is for income and expenses relating to the running of the school.

Restricted fixed assets fund - This fund relates to the income which is contributed towards the purchase of assets, and any related expenses.

Unrestricted fund - This fund is for any income and expenditure not relating to either of the other two funds.

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 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2017 £000</i>
General funds						
General Funds	144	74	-	-	-	218
Restricted funds						
General Annual Grant (GAG)	1,187	6,029	(5,822)	(122)	-	1,272
Other DfE/ESFA grants	-	262	(262)	-	-	-
Other government grants	-	45	(45)	-	-	-
Pension reserve	(1,204)	-	(178)	-	995	(387)
	(17)	6,336	(6,307)	(122)	995	885
Restricted fixed asset funds						
Transferred on conversion	13,163	-	(332)	-	-	12,831
DfE/ESFA capital grants	4,032	585	(257)	-	-	4,360
Capital expenditure from GAG	173	-	(70)	122	-	225
Private sector capital sponsorship	32	-	(13)	-	-	19
	17,400	585	(672)	122	-	17,435
Total restricted funds	17,383	6,921	(6,979)	-	995	18,320
Total of funds	17,527	6,995	(6,979)	-	995	18,538

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FOR THE YEAR ENDED 31 AUGUST 2018

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	144	197	-	-	-	341
Restricted funds						
General Annual Grant (GAG)	1,187	12,279	(12,114)	(68)	-	1,284
Other DfE/ESFA grants	-	262	(262)	-	-	-
Other government grants	-	45	(45)	-	-	-
Pension reserve	(1,204)	-	(373)	-	1,393	(184)
	(17)	12,586	(12,794)	(68)	1,393	1,100
Restricted fixed asset funds						
Transferred on conversion	13,163	-	(831)	-	-	12,332
DfE/ESFA capital grants	4,032	766	(353)	-	-	4,445
Capital expenditure from GAG	173	-	(70)	81	-	184
Private sector capital sponsorship	32	-	(13)	(13)	-	6
	17,400	766	(1,267)	68	-	16,967
	17,383	13,352	(14,061)	-	1,393	18,067
Total of funds	17,527	13,549	(14,061)	-	1,393	18,408

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

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	16,862	16,862
Current assets	342	1,795	105	2,242
Creditors due within one year	-	(511)	-	(511)
Provisions for liabilities and charges	-	(184)	-	(184)
Difference	(53)	53	-	-
	<u>289</u>	<u>1,153</u>	<u>16,967</u>	<u>18,409</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i> 2017 £000	<i>Restricted funds</i> 2017 £000	<i>Restricted fixed asset funds</i> 2017 £000	<i>Total funds</i> 2017 £000
Tangible fixed assets	-	-	16,877	16,877
Current assets	219	1,924	558	2,701
Creditors due within one year	-	(652)	-	(652)
Provisions for liabilities and charges	-	(387)	-	(387)
	<u>219</u>	<u>885</u>	<u>17,435</u>	<u>18,539</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	2017 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(528)	17
Adjustment for:		
Depreciation charges	595	672
Dividends, interest and rents from investments	(4)	(8)
Decrease in debtors	364	224
(Decrease)/increase in creditors	(143)	319
Capital grants from DfE and other capital income	(181)	(585)
Defined benefit pension scheme cost less contributions payable	183	153
Defined benefit pension scheme finance cost	12	25
Net cash provided by operating activities	<u>298</u>	<u>817</u>

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19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	<i>2017</i>
	£000	<i>£000</i>
Cash in hand	1,619	<i>1,716</i>
Total	1,619	<i>1,716</i>

20. PENSION COMMITMENTS

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

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

Contributions amounting to £84,269 were payable to the schemes at 31 August 2018 (*2017 - £84,685*) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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20. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £480,337 (2017 - £452,528).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £254,000 (2017 - £245,000), of which employer's contributions totalled £200,000 (2017 - £195,000) and employees' contributions totalled £54,000 (2017 - £50,000). The agreed contribution rates for future years are 20% for employers and 5.5 to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.80 %	2.80 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	23.8	23.8
Females	26.3	26.3

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

20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £000	<i>Fair value at 31 August 2017 £000</i>
Equities	2,470	2,110
Corporate bonds	474	410
Property	338	293
Cash and other liquid assets	101	117
	<hr/>	<hr/>
Total market value of assets	3,383	2,930
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £203,000 (2017 - £437,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £000	<i>2017 £000</i>
Current service cost	(383)	(348)
Interest income	76	48
Interest cost	(88)	(73)
	<hr/>	<hr/>
Total	(395)	(373)
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £000	<i>2017 £000</i>
Opening defined benefit obligation	3,317	3,500
Current service cost	383	348
Interest cost	88	73
Employee contributions	54	50
Actuarial gains	(250)	(606)
Benefits paid	(25)	(48)
	<hr/>	<hr/>
Closing defined benefit obligation	3,567	3,317
	<hr/> <hr/>	<hr/> <hr/>

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

20. PENSION COMMITMENTS (continued)

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

	2018	<i>2017</i>
	£000	<i>£000</i>
Opening fair value of scheme assets	2,930	<i>2,296</i>
Interest income	76	<i>48</i>
Actuarial losses	148	<i>389</i>
Employer contributions	200	<i>195</i>
Employee contributions	54	<i>50</i>
Benefits paid	(25)	<i>(48)</i>
	<hr/>	<hr/>
Closing fair value of scheme assets	3,383	<i>2,930</i>
	<hr/> <hr/>	<hr/> <hr/>

21. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018	<i>2017</i>
	£000	<i>£000</i>
Amounts payable:		
Within 1 year	10	<i>5</i>
Between 1 and 5 years	13	<i>12</i>
	<hr/>	<hr/>
Total	23	<i>17</i>
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22. MEMBERS' LIABILITY

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

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

23. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the year:

Linic Security Training - N Baxter, a governor (until 1 May 2018)

Amounts totalling £1,215 (2017 - £1,735) were paid to Linic Security Training in the year for security and driver training. There were no amounts outstanding at 31 August 2018 (2017 - £nil).

24. AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year there was an amount brought forward of £21,742, it received £13,195 (2017 - £9,655) and disbursed £1,247 (2017 - £1,818). £33,690 was repayable by the Academy Trust at 31 August 2017 and is included in creditors.