

Company registration number 07343156

Seaton Academy
(A Company Limited by Guarantee)

Financial statements

31 August 2021

Seaton Academy

Financial statements for the year ended 31 August 2021

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Seaton Academy

Reference and Administrative Details

| | |
|---------------------------------|--|
| Governors (Trustees) | Mrs C L Banks (accounting officer) Miss C Mounsey (resigned May 2021) Mr R Norman (Chair) Mrs S Walsh Miss L Gwyn Ms W Stuart |
| Principal and Registered Office | Seaton Academy High Seaton Workington Cumbria CA14 1NP |
| Company Registration Number | 07343156 (England and Wales) |
| Independent Auditor | Riverside Accountancy Lancaster Limited Riverside Offices, Second Floor 26 St Georges Quay Lancaster LA1 1RD |
| Bankers | HSBC 3 Pow Street Workington Cumbria CA14 3AH |
| Solicitors | Burnetts 6 Victoria Place Carlisle Cumbria CA1 2RW |
| Website | www.seatonacademy.co.uk |

Seaton Academy

Governors' Report

The governors present their annual report together with the financial statements and auditors' reports on the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 – 7 serving a catchment area in Seaton, Cumbria. It has a pupil capacity of 270 in the main school and 120 in the nursery. In 2020-21 the Academy had an intake of 180 and 52 respectively.

Structure, Governance and Management

Constitution

The Academy 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 governors act as the trustees for the charitable activities of Seaton Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Seaton Academy.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

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.

Governors' Indemnities

The Academy provides indemnity insurance to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in negligence, default, breach of trust or breach of duty which they may be guilty of in relation to the Academy; provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty, or which was committed by the Governors in reckless disregard of such breaches and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Governors.

Principal Activities

Seaton Academy is a state funded independent school serving the local community of Seaton, Cumbria.

Method of Recruitment and Appointment or Election of Governors

The members may appoint up to two Governors save that there shall be no more than three employees of the Academy (including the Principal) appointed as Governors.

The Local Authority may appoint the Local Authority Governor.

The Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected.

Under certain circumstances, Governors may be appointed by The Secretary of State.

Seaton Academy

Governors' Report (Continued)

Policies and Procedures Adopted for the Induction and Training of Governors

Governors are appointed in accordance with the Memorandum and Articles of Association and Governors may be appointed in recognition of specific skills and guidance they can lend for the benefit of the Academy. Each new Governor is given a specific mandate to follow and supplied with appropriate training information.

Organisational Structure

The Governors determine the general policy of the Academy. The day to day running of the Academy is delegated to the Headmistress, supported by the Senior Management Team. The Headmistress undertakes the key leadership role overseeing educational, pastoral and administrative functions. The day-to-day administration is undertaken within the policies and procedures approved by the Governors.

The Headmistress oversees the recruitment of all staff.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay and remuneration for staff is set by the senior management team and must be approved by the Chair. All teacher and teaching assistants' remuneration is performance managed.

The Head is also performance managed and this is overseen by another Head Teacher.

Risk Management

The Governors are responsible for the overseeing of the risks faced by the Academy. Detailed considerations of risk are delegated to the Senior Management of the Academy. Risks are identified, assessed and controls established throughout the period.

Through the risk management processes established for the Academy, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Related Parties and Other Connected Charities and Organisations

There are no connected organisations and there have been no related party transactions in this year or the previous year.

Objectives and Activities

Objects and Aims

Seaton Academy, a company limited by guarantee, operates under a Funding Agreement signed by the Secretary of State for Children Schools and Families, dated 8 August 2010.

Seaton Academy's primary objective is to maintain a non-fee-paying infant school with a broad curriculum, providing education for students of different abilities at the heart of the community in Seaton.

The aim of the Academy is to provide an outstanding education to boys and girls from the ages of 3 to 7.

Our vision is "Educating our children with the skills they need to live fulfilling lives."

We are committed to the child as an individual learner where to succeed the curriculum is adapted as appropriate to allow all pupils, regardless of background or challenges they face, to make good progress and achieve high attainment across all areas of the curriculum.

Objectives, Strategies and Activities

The Academy promotes the social, moral, spiritual, cultural and academic development of its students in a fully inclusive organisation which further promotes fundamental British values, diversity and equality of opportunity. The core values are Respect, Responsibility and Co-operation which, in conjunction with the Academy, student and parent partnership, facilitates the drive for everyone to achieve their Personal Best.

Seaton Academy

Governors' Report (Continued)

Pupils are admitted to the Academy according to our Admission's Policy which gives priority to children living within the catchment area and those with an EHCP for additional needs.

The academy aims to achieve its objective by offering high quality, targeted support with small intervention groups connected to everyday teaching enables any gaps to be addressed and work consolidated effectively.

Friends of Seaton Academy, an independent group of parents, continue to raise funds that provide additional extra-curricular enrichment activities.

Public Benefit

The Governors confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in the exercise of their duties.

The Governors have met 7 times during the year. In all their discussions and decision making, the Governors have been conscious of their duty to use public funds to deliver an excellent educational experience to the pupils. This principle is applied in all expenditure decisions from employing highly qualified and inspiring staff or using the Academy's financial resources to improve the environment of the Academy.

At present, due to COVID restrictions, volunteers working within school do not play a significant part in our strategies for achieving our aim

Strategic Report

Achievements and Performance

Seaton Academy promotes high achievement and learning for life by working with children to:

- Develop enquiring minds and a spirit of curiosity,
- Become highly motivated life-long learners,
- Be flexible and adaptable for the modern world,
- Have high self-esteem – respecting themselves, others, other cultures and the environment,
- Be able to work independently and collaboratively,
- Achieve high standards in all areas of the curriculum,
- Seek to extend themselves in mind, body and spirit,
- Liaise with incoming and outgoing education providers and the wider community.

Key Financial Performance Indicators

The academy monitors progress of pupil's in many ways including attendance, academic and sporting achievements. Attendance has generally been maintained at more than 97.44% (2020: 95.44%) throughout the year.

The SAT results of Year 2 students showed the following: expected in reading 87%, writing 90% and maths 87% which was the target for the academy maintaining its high standards. Greater depth reading was 29%, writing 21% and maths 35%. Due to the COVID-19 pandemic these are Teacher Assessment grades.

Phonics assessment showed that 73% would have achieved the expected level. Phonics screening taken this Autumn year 2, 84% achieved expected level.

Going Concern

After making appropriate enquiries, the governing body 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 Statement of Accounting Policies.

Seaton Academy

Governors' Report (Continued)

Financial Review

The principal source of funding for the Academy continued to be Education Skills and Funding Agency General Annual Grants, which amounted to £591k (2020: £632k) of the total income received of £886k (2020: £953k).

The Academy achieved a net operating loss (before pension deficit and service costs) of £235k (2020: loss £142k).

The Academy recognises that in order for it to continue to meet its objectives and commitment to the local area, the principal support function is the personnel and of the total expenditure of £1,121k (2020: £1,169k), £894k (2020: £906k) related to staffing and associated costs.

Financial and Risk Management Objectives and Policies

The Academy is funded by the Education Skills and Funding Agency and budgets for its income and expenditure each year, therefore there are no foreseen risks that could be reasonably expected to impact on its ongoing ability to perform its activities; There are, however, a number of employees enrolled in a defined benefit pension scheme and at the balance sheet date there was a deficit in the fund's ability to pay out all of the benefits due to the members. Given the nature of such schemes and the staggered retirement dates of the members, no immediate liability for the Academy is anticipated.

Principal Risks and Uncertainties

The principal risks and uncertainties are centred upon continued funding of the Academy's activities by the Education Skills and Funding Agency and there have been no indications that this will not continue.

The balance sheet includes a pension deficit of £989,000 (2020: £806,000). This has been professionally calculated using an Actuary.

Reserves Policy

At 31 August 2021 the Academy had reserves of £1,113,000 (2020: £1,286,000) excluding the pension deficit. The amount which related to restricted funds was £100,000 (2020: £321,000). The Governors determined at the outset that the Academy should retain at least £100,000 in reserves to provide working capital to cover any unforeseen cashflow problems arising as a result of timing of expenditure and receipt of grants from the Education Skills and Funding Agency.

Investment Policy

Cash balances are held only in short term bank deposits due to the Academy requiring cash to be immediately available to meet irregular cashflow demands.

Fundraising

The Academy fundraises for extracurricular resources in-house. Funds are raised by events held in the Academy, e.g., our Christmas Fayre and Sports and Fun day. We do not work with any commercial participators or coerce any parties into making donations etc. We do participate in national events like 'Red nose day', 'Children in need', etc. and also raise money for local good causes.

Plans for Future Periods

The Academy is keen to continue to improve its public profile and serve the Seaton community and has implemented numerous initiatives as part of its ongoing improvement plans. These include Theme weeks; Book Week events; Christmas Light switch on and Fun/Sports Day. There is continual investment in training for staff and IT Support.

Our Development Plan outlines our objectives for 2020/21 these include: Review teaching of whole school phonics; Enhance greater depth provision for writing throughout school; Continue focus on provision for greater depth maths.

Funds Held as Custodian Trustee on behalf of Others

Seaton Academy

Governors' Report (Continued)

The Academy does not hold any funds as Custodian Trustee on behalf of others.

Auditor

Insofar as the Governors are aware:

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

The Governors propose that Riverside Accountancy Lancaster Limited to be re-appointed as auditors of the Charitable company.

Trustees' report, incorporating a strategic report, approved by order of the members of the Governing body on 14th December 2021 and signed on its behalf by:

Mr R Norman
Chair of Governors

Seaton Academy

Governance Statement

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Seaton Academy 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 governing body has delegated the day-to-day responsibility to the Principal and 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 Seaton Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body 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 governing body has formally met 7 times during the year. Attendance during the year at meetings of the governing body was as follows:

| Governor | Meetings attended | Out of a possible |
|--|--------------------------|--------------------------|
| C L Banks (principal and accounting officer) | 7 | 7 |
| C Mounsey (staff trustee) | 5 | 5 |
| D Midwood (staff trustee) | 3 | 3 |
| R Norman | 7 | 7 |
| S Walsh | 7 | 7 |
| L Gwyn | 6 | 7 |
| W Stuart (staff trustee) | 7 | 7 |

The Academy does not have a General Purposes Committee. All major business and financial decisions are dealt with at Whole Board Meetings. An Audit Committee and Finance Committee were formed. However, due to COVID-19 the committee was unable to meet, this will be developed in the 2021-22 year.

Review of Value for Money

As accounting officer, the principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Regular scrutiny of financial and other performance monitoring data
- Regular reports from the Head Teacher and Finance Director to the Board of Trustees
- Contracts are reviewed as required.
- We have installed solar panels to reduce our carbon footprint.
- We employ staff directly so that we can cover cleaning and catering in house which enables us to manage these services more effectively.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 control has been in place in Seaton Academy for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statement

Seaton Academy

Governance Statement (continued)

Capacity to Handle Risk

The governing body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the governing body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Board of Governors 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 governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors appointed a serving Governor, as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. During the year under review, the Academy has taken advice from their external accountants as an independent responsible organisation.

Review of Effectiveness

As accounting officer, Mrs C Banks, 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 Academy's external accountants;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to maintain the quality and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 14th December 2021 and signed on its behalf by:

Signed

Signed

Mr R Norman
Chair

Mrs C Banks
Accounting Officer

Seaton Academy

Statement on Regularity, Propriety and Compliance

As accounting officer of Seaton Academy, I have considered my responsibility to notify the Academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy governing body are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

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

Mrs C Banks
Accounting Officer

14th December 2021

Seaton Academy

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities of Seaton Academy and are also 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 Requirements issued by the ESFA and Skills, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare the 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 in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the 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 governing body on 14th December 2021 and signed on its behalf by:

Mr R Norman
Chair of Trustees

Seaton Academy

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Seaton Academy (continued)

Opinion

We have audited the financial statements of Seaton Academy (the 'academy trust') for the year ended 31 August 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021, 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
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The governors are responsible for the other information. The other information comprises the information included in the governors' report, other than the financial statements and our auditor's 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.

Seaton Academy

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Seaton Academy (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 directors' 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 trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Seaton Academy

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Seaton Academy (continued)

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

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

- Review of directors minutes and review of nominal postings for legal and professional fees ensured we identified any regulatory compliance issues and laws that company must follow in the year and to the date of signing the financial statements
- The assessment of fraud was consider as low due to the segregation of duties seen, the low levels of cash handled and the regular reporting required of the company to its parent. A review of journal entries and consideration of their appropriateness was carried out through the audit
- During the audit we speak to management, test the systems and speak to various members of the finance function to understand the entity its processes and the nature of trade to assist in determining if the financial statements are true and fair.
- Challenging assumptions made by management in making their significant accounting estimates.
- Reviewing financial statement disclosure and testing to supporting documentation to assess compliance with applicable laws and regulations
- Reviewing the academy procedures in the way of safeguarding children and developing their learning ability through the objectives of the school
- Review and investigate the use of public money and funds
- Review significant tangible assets, this is mainly in the way of leasehold improvements. We would usually be onsite and investigate impairment review repairs and renewals and general condition of the school.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Seaton Academy

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Seaton Academy (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

*Penelope Bowden ACA (Senior Statutory Auditor)
For and on behalf of Riverside Accountancy Lancaster Limited, Statutory Auditor*

*Second Floor, Riverside Offices
26 St Georges Quay
Lancaster
Lancashire
LA1 1RD*

15th December 2021

Seaton Academy

Independent Reporting Accountant's Assurance Report on Regularity to Seaton Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 27 July 2020 and further to the requirements of the Education Funding Agency (ESFA) as included in the Academies: Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Seaton Academy Trust during the period 1 September 2020 to 31 August 2021 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 Seaton 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 the Seaton 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 the Seaton Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Seaton Academy Trust's funding agreement with the Secretary of State for Education dated 8 August 2010 and the Academies Financial Handbook, extant from 1 September 2019, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 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 2020 to 2021 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 trust's income and expenditure.

Seaton Academy

Independent Reporting Accountant's Assurance Report on Regularity to Seaton Academy and the Education and Skills Funding Agency (continued)

The work undertaken to draw our conclusions includes:

- Review of a sample of expenditure in conjunction with the terms of the funding agreement
- Confirming that guidance as set out by the ESFA, within the Accounts Direction 2020 to 2021 and the Academies Financial Handbook 2021, has been adhered to
- Review of trustees' minutes and discussion with the Accounting Officer of activities during the year
- Testing of the Academies accounting system and internal controls by reference to the internal control handbook
- Ensuring expenditure does not contravene the funding agreement
- Ensuring Public Funds have been spent for the purposes intended
- Ensuring key staff and the governors have declared their interests in related parties
- Analytical review procedures alongside the above

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Riverside Accountancy Lancaster Limited (Chartered Accountants)
Reporting Accountant

Second Floor, Riverside Offices
26 St Georges Quay
Lancaster
LA1 1RD

15th December 2021

Seaton Academy

Statement of Financial Activities (including Income and Expenditure Account)

| | Note | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 31 August 2021 £000 | Total 31 August 2020 £000 |
|---|------|-------------------------------|--|---|---------------------------------------|---------------------------------------|
| Income and endowments from: | | | | | | |
| <i>Incoming resources from generated funds:</i> | | | | | | |
| Income from other trading activities | | - | - | - | - | - |
| Donations (including capital grants) | 2 | - | - | 6 | 6 | 6 |
| Income from Investments | 3 | - | - | - | - | 1 |
| <i>Incoming resources from charitable activities:</i> | | | | | | |
| Funding for the Academy's educational operations | 4 | - | 880 | - | 880 | 946 |
| Total | | - | 880 | 6 | 886 | 953 |
| Expenditure on: | | | | | | |
| Raising funds | | - | - | - | - | - |
| <i>Charitable activities:</i> | | | | | | |
| Academy trust educational operations | 6 | - | 1,062 | 59 | 1,121 | 1,169 |
| Total | 5 | - | 1,062 | 59 | 1,121 | 1,169 |
| Net income / (expenditure) | | - | (182) | (53) | (235) | (216) |
| Gross transfers between funds | 12 | (135) | 135 | - | - | - |
| Net income for the year | | - | (47) | (53) | (235) | (216) |
| Other recognised gains and losses | | | | | | |
| Actuarial (losses) / gains on defined benefit pension schemes | 23 | - | (121) | - | (121) | (66) |
| Net movement in funds | | - | (168) | (53) | (356) | (282) |
| Reconciliation of funds | | | | | | |
| Funds brought forward at 31 August 2020 | | 159 | (564) | 885 | 480 | 762 |
| Funds carried forward at 31 August 2021 | | 24 | (732) | 832 | 124 | 480 |

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

Seaton Academy

Balance Sheet as at 31st August 2021

| | Notes | 31 August 2021 | | 31 August 2020 | |
|---|-------|-----------------|-----------------|-----------------|-----------------|
| | | £000 | £000 | £000 | £000 |
| Fixed assets | | | | | |
| Tangible assets | 9 | | 878 | | 942 |
| Current assets | | | | | |
| Debtors | 10 | 10 | | 26 | |
| Cash at bank and in hand | | 287 | | 354 | |
| | | <u>297</u> | | <u>380</u> | |
| Creditors: Amounts falling due within one year | 11 | 62 | | 36 | |
| | | <u> </u> | | <u> </u> | |
| Net current assets | | | 235 | | 344 |
| Total assets less current liabilities | | | 1,113 | | 1,286 |
| Net assets excluding pension liability | | | 1,113 | | 1,286 |
| Pension scheme liability | 23 | | <u>(989)</u> | | <u>(806)</u> |
| | | | <u> </u> | | <u> </u> |
| Net assets including pension liability | | | 124 | | 480 |
| | | | <u> </u> | | <u> </u> |
| Funds of the academy: | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund(s) | 12 | | 832 | | 885 |
| General fund(s) | 12 | | 257 | | 242 |
| Pension reserve | 12 | | <u>(989)</u> | | <u>(806)</u> |
| Total restricted funds | | | <u>100</u> | | <u>321</u> |
| Unrestricted funds | 12 | | <u>24</u> | | <u>159</u> |
| | | | <u> </u> | | <u> </u> |
| Total funds | | | 124 | | 480 |
| | | | <u> </u> | | <u> </u> |

The financial statements were approved by the Governors and authorised for issue on 14th December 2021 and are signed on their behalf by:

.....
Mr R Norman
Chair of Governors

Company Limited by Guarantee
Registration Number 07343156

Seaton Academy

Statement of Cash Flows for the year ended 31 August 2021

| | Notes | 31 August 2021 £000 | 31 August 2020 £000 |
|--|-----------|------------------------------|------------------------------|
| Cash flows from operating activities | 16 | (60) | (90) |
| Cash flows from financing activities | 17 | 6 | 7 |
| Cash flows from investing activities | 18 | (13) | (20) |
| Change in cash and cash equivalents in the reporting period | | (67) | (103) |
| Cash and cash equivalents at 1 September 2020 | | 354 | 457 |
| Cash and cash equivalents at 31 August 2021 | 19 | 287 | 354 |

The notes on pages 20 to 37 form part of these financial statements.

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting Policies

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

Seaton Academy is a public benefit entity limited by guarantee. Its registered office and principle business address is Seaton Academy, High Seaton, Workington, Cumbria CA14 1NP.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Seaton Academy meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured with sufficient reliability.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 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 an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance related conditions), where the receipt is probable and it can be measured reliably.

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

Income continued ...

- **Donations**

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

- **Other income**

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

- **Donated Goods, Facilities, Services and Gifts in Kind**

Goods donated for resale are included at fair value, being the expected proceeds from sales less the expected costs of sale. If it is practical to assess fair value at receipt, it is recognised in the stock and "Income from other trading activities" and the proceeds are recognised as "Income from other trading activities". An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

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 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 raising funds**

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

- **Charitable activities**

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

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

Tangible Fixed Assets

Assets costing £50 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted funds.

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

| | |
|----------------------------------|-----|
| Leasehold improvements | 4% |
| Leasehold property | 5% |
| Fixtures, fittings and equipment | 20% |

In respect of any Fixed Assets in connection with leasing commitments, these are depreciated over the terms of the lease.

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

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting 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.

Provision 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 charges.

Leased Assets

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

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 10. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 11. Taxation and social security are not included in the financial instruments' disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The Academy 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.

Pensions Benefits

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

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

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

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

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

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 the Education Funding Agency where the asset acquired or created is held for a specific purpose.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2021. 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 Donations and capital grants

| | Unrestricted Funds £000 | Restricted Fixed Asset Funds £000 | Total 31 August 2021 £000 | Total 31 August 2020 £000 |
|-------------------------|-------------------------------|---|---------------------------------------|---------------------------------------|
| Capital Grants | - | 6 | 6 | 6 |
| Other donations | - | - | - | - |
| Long leasehold building | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | - | 6 | 6 | 6 |

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Investment Income

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 31 August 2021 £000 | Total 31 August 2020 £000 |
|---------------------|-------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| Short term Deposits | - | - | - | 1 |
| | - | - | - | 1 |

4 Funding for Academy's Educational Operations

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 31 August 2021 £000 | Total 31 August 2020 £000 |
|---|-------------------------------|-----------------------------|---------------------------------------|---------------------------------------|
| DfE/ESFA Grants | | | | |
| General Annual Grant (GAG) | - | 591 | 591 | 632 |
| Other DfE / ESFA grants | - | 126 | 126 | 142 |
| | - | 717 | 717 | 774 |
| Other Government grants | | | | |
| Local Authority grants | - | 163 | 163 | 172 |
| Special educational projects | - | - | - | - |
| | - | 163 | 163 | 172 |
| Other income from the academy trust's educational operations | - | - | - | - |
| | - | - | - | - |
| | - | 880 | 880 | 946 |

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Expenditure

| | Staff Costs £000 | Non-Pay Expenditure Premises £000 | Other Costs £000 | Total 31 August 2021 £000 | Total 31 August 2020 £000 |
|--|------------------------|---|------------------------|---------------------------------------|---------------------------------------|
| Costs of activities for generating funds | - | - | - | - | - |
| Academy's educational operations | 894 | 32 | 195 | 1,121 | 1,169 |
| | <u>894</u> | <u>32</u> | <u>195</u> | <u>1,121</u> | <u>1,169</u> |

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Net income / (expenditure) for the period includes: | | |
| Depreciation | 77 | 78 |
| Operating lease rentals | 13 | 2 |
| Fees payable to auditor | | |
| Audit | 8 | 7 |
| Other services | 3 | 3 |
| Profit/(loss) on disposal of fixed assets | <u>-</u> | <u>-</u> |

The method used for the apportionment of support costs is disclosed in the accounting policies.

6 Charitable Activities

| | Unrestricted Funds £000 | Restricted Funds £000 | Restricted Fixed Asset Fund | Total 31 August 2021 £000 | Total 31 August 2020 £000 |
|---|-------------------------------|-----------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| Direct costs – educational operations | - | 850 | - | 850 | 847 |
| Support costs – educational operations | - | 212 | 59 | 271 | 322 |
| | <u>-</u> | <u>1,062</u> | <u>59</u> | <u>1,121</u> | <u>1,169</u> |
| Analysis of support costs | | | | | |
| Support staff costs | - | 72 | - | 72 | 73 |
| Depreciation | - | 18 | 59 | 77 | 78 |
| Maintenance of premise and equipment | - | 32 | - | 32 | 59 |
| Other support costs | - | 79 | - | 79 | 101 |
| Governance costs | - | 12 | - | 12 | 11 |
| Total support costs | <u>-</u> | <u>213</u> | <u>59</u> | <u>272</u> | <u>322</u> |

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Staff Costs

| | 2021 £000 | 2020 £000 |
|-------------------------------------|--------------|--------------|
| Staff costs during the period were: | | |
| Wages and salaries | 696 | 708 |
| Social security costs | 46 | 57 |
| Pension costs | 151 | 138 |
| | <u>893</u> | <u>903</u> |
| Supply teacher costs | - | - |
| Redundancy costs | - | - |
| Staff training | 1 | 3 |
| | <u>894</u> | <u>906</u> |

The average number of persons (including senior management team) employed by the Academy during the year, was as follows:

| | 2021 | 2020 |
|------------------------------|-----------|-----------|
| Charitable Activities | | |
| Teachers | 11 | 11 |
| Administration and support | 23 | 28 |
| Management | 1 | 1 |
| | <u>35</u> | <u>40</u> |

These figures include nursery staff and other support staff including after school assistants.

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

| | 2021 | 2020 |
|-------------------|----------|----------|
| £80,001 - £85,000 | <u>1</u> | <u>1</u> |
| | <u>1</u> | <u>1</u> |

11 of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2021, pension contributions for these staff amounted to £92,358 (2020: £92,454). 17 other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £44,381 (2020: £45,303).

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Related Party Transactions – Trustees' Remuneration and Expenses

Principal and staff receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of the Principal and staff governors' remuneration was as follows:

C L Banks (Principal and trustee)
Remuneration £80,001 - £85,000 (2020: £80,001 - £85,000)
Employers pension £15,001 - £20,000 (2020: £15,001 - £20,000)

C Mounsey (Staff trustee) (resigned May 2021)
Remuneration £35,001 - £40,000 (2020: £45,001 - £50,000)
Employers pension £5,001 - £10,000 (2020: £5,001 - £10,000)

W Durham (Staff trustee)
Remuneration £50,001 - £55,000 (2020: £50,001 - £55,000)
Employers pension £10,001 - £15,000 (2020: £10,001 - £15,000)

Expenses paid to governors amounted to less than £500.

Trustees and Officers Insurance is provided by the Department of Education as part of the annual RPA membership.

Related party transactions involving the governors are set out in note 24.

9 Tangible Fixed Assets

| | Leasehold Land & Buildings £000 | Furniture and Equipment £000 | Total £000 |
|------------------------|--|---------------------------------------|---------------|
| Cost | | | |
| At 1 September 2020 | 1,258 | 181 | 1,439 |
| Additions | - | 13 | 13 |
| Transfers | - | - | - |
| Disposals | - | - | - |
| At 31 August 2021 | 1,258 | 194 | 1,452 |
| Depreciation | | | |
| At 1 September 2020 | 379 | 118 | 497 |
| Charged in year | 62 | 15 | 77 |
| Disposals | - | - | - |
| At 31 August 2021 | 441 | 133 | 574 |
| Net book values | | | |
| At 31 August 2021 | 817 | 61 | 878 |
| At 31 August 2020 | 879 | 63 | 942 |

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10 Debtors

| | 2021 £000 | 2020 £000 |
|-----------------|--------------|--------------|
| VAT recoverable | 3 | 18 |
| Other debtors | 2 | 3 |
| Prepayments | 5 | 5 |
| | <u>10</u> | <u>26</u> |

11 Creditors: amounts falling due within one year

| | 2021 £000 | 2020 £000 |
|------------------------------|--------------|--------------|
| Trade creditors | - | - |
| Taxation and social security | 12 | - |
| Accruals and deferred income | 50 | 36 |
| | <u>62</u> | <u>36</u> |

Deferred income

| | 2021 £000 | 2020 £000 |
|-------------------------------------|--------------|--------------|
| Deferred Income at 1 September 2020 | 27 | 53 |
| Resources deferred in the year | 38 | 27 |
| Amount released from prior year | (27) | (53) |
| Deferred Income at 31 August 2021 | <u>38</u> | <u>27</u> |

The Academy received £32,679 from the DfE in respect of free school meals and £5,380 in respect of Pupil Premium for the 2021-22 academic year.

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Funds

| | Balance at 1 Sep 2020 £000 | Incoming Resources £000 | Resources Expended £000 | Gains, Losses and Transfers £000 | Balance at 31 Aug 2021 £000 |
|-------------------------------------|-------------------------------------|-------------------------------|-------------------------------|---|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 242 | 591 | (711) | 135 | 257 |
| Other DFE/Local Authority Grants | - | 289 | (289) | - | - |
| | 242 | 880 | (1,000) | 135 | 257 |
| Pension reserve | (806) | - | (62) | (121) | (989) |
| | (564) | - | (1,062) | 14 | (732) |
| Restricted fixed asset funds | | | | | |
| DfE/YPLA capital grants | - | 6 | - | - | 6 |
| Gift in Kind – Long Leasehold | 885 | - | (59) | - | 826 |
| | 885 | 6 | (59) | - | 832 |
| Total restricted funds | 321 | 886 | (1,121) | 14 | 100 |
| Total unrestricted funds | 159 | - | - | (135) | 24 |
| Total funds | 480 | 886 | (1,121) | (121) | 124 |

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

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

Restricted general funds comprise all other funds received and include grants from the ESFA.

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Funds (continued)

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

| | Balance at 1 Sep 2019 £000 | Incoming Resources £000 | Resources Expended £000 | Gains, Losses and Transfers £000 | Balance at 31 Aug 2020 £000 |
|-------------------------------------|-------------------------------------|-------------------------------|-------------------------------|---|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 304 | 632 | (671) | (23) | 242 |
| Other DfE/Local Authority Grants | - | 314 | (314) | - | - |
| | 304 | 946 | (985) | (23) | 242 |
| Pension reserve | (666) | - | (74) | (66) | (806) |
| | (362) | 946 | (1,059) | (89) | (564) |
| Restricted fixed asset funds | | | | | |
| DfE/YPLA capital grants | 22 | 6 | (51) | 23 | - |
| Gift in Kind – Long Leasehold | 944 | - | (59) | - | 885 |
| | 966 | 6 | (110) | - | 885 |
| Total restricted funds | 604 | 952 | (1,169) | (66) | 321 |
| Total unrestricted funds | 158 | 1 | - | - | 159 |
| Total funds | 762 | 953 | (1,169) | (66) | 480 |

13 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|--|---|------------------------|
| Tangible fixed assets | - | 46 | 832 | 878 |
| Current assets | 24 | 273 | - | 297 |
| Current liabilities | - | (62) | - | (62) |
| Pension scheme liability | - | (989) | - | (989) |
| Total net assets | 24 | (732) | 832 | 124 |

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

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|--|---|------------------------|
| Tangible fixed assets | - | 57 | 885 | 942 |
| Current assets | 159 | 221 | - | 380 |
| Current liabilities | - | (36) | - | (36) |
| Pension scheme liability | - | (806) | - | (806) |
| Total net assets | 158 | (564) | 885 | 480 |

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Capital commitments

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Contracted for, but not provided in the financial statements | - | - |

15 Financial commitments

Operating leases

At 31 August 2021 the Academy had annual commitments under non-cancellable operating leases as follows:

| Other | 2021 | 2020 |
|--|----------|----------|
| Amounts due within one year | 2 | 2 |
| Amounts due between one and five years | 1 | 2 |
| Amounts due after five years | - | - |
| | <u>3</u> | <u>4</u> |

16 Reconciliation of net income/(expenditure) to net cash flow from operating activities

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Net income for the reporting period as per the financial statements | (235) | (216) |
| Depreciation | 77 | 78 |
| Capital Grants from DfE and other capital income | (6) | (6) |
| Decrease / (increase) in debtors | 16 | 7 |
| Increase/(decrease) in creditors | 26 | (26) |
| LGPS pension expense | 62 | 74 |
| Interest Received | - | (1) |
| Net cash provided by Operating Activities | <u>(60)</u> | <u>(90)</u> |

17 Cash flows from financing activities

| | | |
|--|----------|----------|
| Interest received | - | 1 |
| Capital grants from DfE Group | 6 | 6 |
| Net cash provided by / (used in) financing activities | <u>6</u> | <u>7</u> |

18 Cash flows from investing activities

| | | |
|---|-------------|-------------|
| Purchase of tangible fixed assets | (13) | (20) |
| Net cash outflow from capital expenditure and financial investment | <u>(13)</u> | <u>(20)</u> |

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

19 Analysis of cash and cash equivalents

| | At 31 August 2021 £000 | At 31 August 2020 £000 |
|--|---------------------------------|---------------------------------|
| Cash in hand and at bank | 287 | 354 |
| Total cash and cash equivalents | 287 | 354 |

20 Analysis of changes in net debt

| | At 1 Sept 2020 £000 | Cash Flows £000 | Acquisition / Disposal of subsidiaries £000 | New finance Leases £000 | Other non-cash changes £000 | At 1 Aug 2021 £000 |
|---|---------------------------|-----------------------|--|----------------------------------|--------------------------------------|--------------------------|
| Cash | 354 | (67) | - | - | - | 287 |
| Cash equivalents | - | - | - | - | - | - |
| Overdraft Facility repayable on demand | - | - | - | - | - | - |
| | 354 | (67) | | | | 287 |
| Loans falling due within 1 year | - | - | - | - | - | - |
| Loans falling due after more than one year | - | - | - | - | - | - |
| Finance lease obligations | - | - | - | - | - | - |
| | 354 | (67) | - | - | - | 287 |

21 Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

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.

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and Similar Obligations

The Academy's employees belong to two principal pension schemes; the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries.

The latest actuarial valuation of the TPS was 31 March 2021 and of the LGPS 31 August 2021.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £92,358 (2020: £92,454).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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.

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £73,901 (2020 - £56,321) of which employers' contributions totalled £44,381 (2020 - £40,404) and employees' contributions totalled £15,620 (2020 - £15,917). The agreed contribution rate for future years is 22.6% for employers and between 5.5% and 12.5% for employees, dependent on their earnings.

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

| | As at 31 August 2021 | As at 31 August 2020 |
|--|----------------------------|----------------------------|
| Rate of increase in salaries | 4.3% | 3.8% |
| Rate of increase for pensions in payment / inflation | 2.9% | 2.4% |
| Discount rate for scheme liabilities | 1.7% | 1.8% |
| Inflation assumption (CPI) | 2.8% | 2.3% |
| Commutation of pensions to lump sums | 47.9% | 40.2% |

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

| | As at 31 August 2021 | As at 31 August 2020 |
|-----------------------------|----------------------------|----------------------------|
| <i>Retiring today</i> | | |
| Males | 22.7 | 22.6 |
| Females | 25.3 | 25.2 |
| <i>Retiring in 20 years</i> | | |
| Males | 24.3 | 24.2 |
| Females | 27.2 | 27.1 |

Sensitivity analysis

| | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Discount rate + 0.1% | (51) | (41) |
| Discount rate -0.1% | 52 | 42 |
| Mortality assumption – 1-year increase | 63 | 47 |
| Mortality assumption – 1-year decrease | (61) | (46) |
| CPI rate +0.1% | 52 | 42 |
| CPI rate -0.1% | (51) | (41) |

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

23 Pension and Similar Obligations (continued)

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

| | Expected Return at 31 August 2021 % | Fair Value at 31 August 2021 £000 |
|-------------------------------------|---|--|
| Equities | 39.2 | 419 |
| Government bonds | 17.2 | 185 |
| Other bonds | 0 | - |
| Property | 7.6 | 82 |
| Cash/liquidity | 3.6 | 41 |
| Other | 2.2 | 346 |
| Total market value of assets | | 1,073 |

The actual return on the scheme assets was £150,000 (2020 – (£2,000)).

Amounts recognised in the Statement of Financial Activities

| | 2021 £000 | 2020 £000 |
|---|--------------|--------------|
| Current service cost | 104 | 101 |
| Net interest cost | 14 | 12 |
| Past service cost | - | - |
| Administration expense | 2 | 2 |
| Total pension cost recognised in I&E | 120 | 115 |

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

| | As at 31 August 2021 | As at 31 August 2020 |
|---|----------------------------|----------------------------|
| At 1 September 2020 | 1,667 | 1,311 |
| Current service cost | 104 | 101 |
| Interest cost | 30 | 24 |
| Employee contributions | 16 | 16 |
| Past Service costs | - | - |
| Actuarial (gains) / losses on liabilities | 255 | 217 |
| Benefits / transfers paid | (10) | (2) |
| At 31 August 2021 | 2,062 | 1,667 |

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

| | As at 31 August 2021 | As at 31 August 2020 |
|---------------------------|----------------------------|----------------------------|
| At 1 September 2020 | 861 | 645 |
| Interest on plan assets | 16 | 12 |
| Remeasurements | 134 | 151 |
| Administration expenses | (2) | (2) |
| Employer contributions | 58 | 41 |
| Member contributions | 16 | 16 |
| Benefits / transfers paid | (10) | (2) |
| At 31 August 2021 | 1,073 | 861 |

Seaton Academy

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24 Related party transactions

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest.

However, during the year there were no such transactions which took place.