

Directors' Report and Financial Statements

For the year ended 31 August 2021

Seashell Trust

Registered Charity No: 1092655

Registered Company No: 04216714

Seashell Trust

Stanley Road, Cheadle Hulme,
Cheshire, SK8 6RQ

Tel: 0161 610 0100

Email: info@seashelltrust.org.uk

Web: www.seashelltrust.org.uk



INVESTORS IN PEOPLE
We invest in people Standard



Patron: Her Majesty the Queen

Chair: Chris Smale

Chief Executive: Jolanta McCall

Presidents: Tim Exell MBE • Baroness Henig CBE •

Lord Lee of Trafford DL FCA • Sir Warren Smith JP •
Christopher Lees-Jones FRICS • Lady Irene Morris

Company no. 04216714
Registered charity no. 1092655
ICO registration no. Z1633500

SEASHELL TRUST

Seashell Trust ('Seashell' or 'the Trust') is an education and care charity founded in 1823 in Manchester; originally for the education of deaf children.

Today, Seashell provides highly specialist education in its outstanding non-maintained special school, **Royal School Manchester** and in its independent specialist further education college, **Royal College Manchester**.

In addition, we provide specialist health and care for children and young adults, in our registered care homes, to ensure that their needs are appropriately met when they cannot live with their own family. Children and young people may be resident in our care homes for short periods, including short breaks, or in the longer term, with a view to moving on to adulthood and more independent living. The homes are a place for children and young adults to develop and grow. Over half of the children and young people require access to our specialist care homes accessing packages ranging from one or two nights a week to 52 week placements.

We provide highly integrated education, health and care to children and young adults with the most complex neuro-disabilities and needs in our society. These needs are often co-occurring and include children with a combination of deafness, blindness, multi-sensory impairment, autism, mental health issues, behavioural challenges and profound physical and multiple learning disabilities and/or difficulties (PMLD).

The vast majority of the children and young adults attending Seashell have little or no functional communication on their entry to the Trust. Seashell caters for those at the most severe end of the spectrum of complex needs.

Our education and care facilities are complemented by our on-site Health, Sport and Family Services facilities and by our Sensory Support Service which provide greater access for families and professionals to our specialist services.

We aim, with the support of our families, staff, stakeholders, volunteers and donors, to deliver real change and thus irrefutable difference to the levels of independence and communication achieved by our children and young people.

This, in turn, ensures they are valued and valuable members of their families and the wider community.

We believe that Seashell is a truly special place for very special people. Our students and residents have incredibly challenging needs and they, and their families, are some of the most inspiring people you can ever meet.

We need the best team, the best facilities, the best campus and the best technologies to deliver all we can for these students, residents and their families.

Our Pledge

Seashell helps children and young people with very complex needs, and their families, live their best lives.

Our Values

The values by which we seek to deliver on our pledge are:

Integrity



Honesty, trust and commitment go to the heart of everything we do at Seashell. We pride ourselves on ethical working and strong leadership. We respect our students and residents, their families and our colleagues and we promise to do our very best every day, to support the extraordinary people in our care.

Innovation



The children and young people we support are exceptional and we are constantly striving for pioneering new approaches, research and advances in both technology and different ways of caring, communicating and educating. We believe that amazing people deserve amazing and creative support.

Involvement



We pride ourselves on developing strong partnerships with children, young people and their families to provide the very best support and life outcomes. By working together and harnessing the best care and support, technology and knowledge, we can help people live their best lives.

SEASHELL TRUST

CHARITY ADMINISTRATION

Directors

E Baines (1, 3)
N Bottley (resigned 30 October 2021)
S Gillingham (3*)
M Heath (2*)
A Khawaja (resigned 31 December 2021)
B Leigh (3) (resigned 31 July 2021)
N Masom (2) (appointed 1 February 2021)
C Povey (1)
L Perry (appointed 19 July 2021)
J Raca MBE (resigned 8 October 2021)
D Sanders (1, 2, 3) (Chair, resigned as Chair and Trustee
31 August 2021)
D Shipley (1*, 2) (resigned 1 February 2021)
C Smale (1*, 2, 3) (Chair, effective 1 September 2021)
T Wilkins (1,2,3)

(1) Member of Remuneration & Appointments Committee
(2) Member of Audit & Finance Committee
(3) Member of Transformation Project Steering Group
* Chair of relevant Board sub-committee

Chief Executive Officer & Principal J McCall

Executive Leadership Team

M Ascroft	Director of Finance & Strategy
K Duggan	Director of Service Development
Z Ensor	Director of Communications & Community Engagement
N Giles	Director of People & Workplace
J McCaffrey	Director of Care Services
B White	Director of Education

Address and Registered Office

Stanley Road
Cheadle Hulme
Cheadle
Cheshire SK8 6RQ

SEASHELL TRUST

CHARITY ADMINISTRATION

Bankers

Royal Bank of Scotland plc
St Ann's Square Branch, PO Box 320
St Ann Street
Manchester M60 2SS

Barclays Bank plc
Corporate Banking
Level 11, 20 Chapel Street
Liverpool
L3 9AG

Auditors

Mazars LLP
One St Peter's Square
Manchester
M2 3DE

Solicitors

Eversheds Sutherland LLP
6 Stanley St
Salford
M3 5GX

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Slater Heelis LLP
Suite 2 Oakland House
34 Washway Road
Sale
Cheshire
M33 6FS

Investment Advisers

Castlefield Investment Partners LLP
1 Portland Street
Manchester
M1 3BE

Company Registration Number

04216714

Charity Registration Number

1092655

Introduction from the Chair of Trustees

On behalf of the Trustees of Seashell, I am pleased to present our annual report setting out our achievements this year, and our progress towards achieving our Strategic Goals, the financial statements and the auditor's report for the year ended 31 August 2021.

I feel honoured to have been elected Chair of Trustees from 1 September 2021 upon the retirement of my predecessor David Sanders. Seashell is a truly remarkable organisation, delivering valuable services to children and young people with some of the most complex educational, care and health needs in the UK and we have ambitious plans to extend yet further the quality, range and reach of our services in the coming years.

The past year has been another memorable one for the Trust.

The vast majority of staff and students returned in full to Royal School Manchester and Royal College Manchester in September 2020 following the partial closure of those services during spring and summer 2020 as a result of the global pandemic. The autumn and winter terms were particularly challenging given the levels of infections locally, the intermittent local and national lockdowns and the continual changes to Covid 19 regulations that applied to our various services during that time.

Our Care services were also able to return to operating at more normal levels, with weekly residential students and those on short break residential packages returning to the homes to access these much needed services. In addition our Active, Community, Sensory, and Start teams also gradually re-introduced services throughout the year as Covid 19 restrictions eased.

None of this could have been achieved without the commitment, dedication, skill and flexibility of our staff during the past 18 months. They have truly gone above and beyond to continue to support our students and residents and to meet both their needs and those of their families during this time.

We have also made good progress in moving forward with the next steps of our site redevelopment - Project Transformation - following the receipt of planning consent in April 2020. In June 2021 we finalised the design and contract for the construction of our new school and shared facilities building. The contractor, Willmott Dixon, is now on site, the steel frame is almost complete and we are looking forward to opening the new school and facilities in autumn 2022. This would not have been possible without the very significant donations to our Transforming Lives Appeal in the year and we are hugely grateful to the many trust funds, companies and private individuals who have displayed such incredible generosity and support to the Trust.

I am pleased that the financial performance of the Trust in the past year has improved following the implementation of the Financial Recovery Plan that we developed in 2019-20. While there remains further work to do in this area, and the external environment with Covid 19, funding restrictions and staffing levels still presents significant challenges to the Trust, I am confident we have the right plans in place to ensure the financial sustainability of Seashell into the future.

C. L. Smale

C. L. Smale (Feb 4, 2022 09:57 GMT)

Chris Smale
Chair

SEASHELL TRUST

CONTENTS	Page
Directors' report, including Directors' Strategic Report	1
Statement of Directors' duties in performance of S172 (1) Companies Act	14
Statement of Directors' responsibilities	16
Independent auditor's report	17
Statement of financial activities	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	25

SEASHELL TRUST
DIRECTORS' REPORT
For the year ended 31 August 2021

The Directors, who are all Trustees for the purposes of the Charities Act, are pleased to present their annual report with the audited financial statements of the charity for the year ended 31 August 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019 in preparing the annual report and financial statements of the charity.

Our objectives

Seashell's objects, as described in the Memorandum and Articles, are the advancement of the education (including social and physical training) and/or welfare of children and adults, ("Beneficiaries"), who, through any one or more forms of disability, require special provision for their needs.

Delivering our objectives

In furtherance of the above objectives the Trust provides high quality, specialist education and care to children and young adults with complex learning and communication difficulties, such as hearing, visual and multi-sensory impairments, physical disabilities, health needs and autism spectrum disorders.

The Trust's services comprise a School, **Royal School Manchester** (for students aged 2-19), a College, **Royal College Manchester** (for students aged 19-25), **Children's and Young People's Care Homes** and our inclusive sports facilities including the CADS™ (Children's Able and Disabled Sports) programme.

Our care homes provide integrated care services for students either in full time education or in receipt of short breaks. The short break provision is also available to families whose children or young people are not students at the Trust. All aspects of our provision incorporate all-inclusive Therapy and Health services as well as a Professional Learning and Development Centre for staff induction and training.

Public Benefit

The Directors confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on Public Benefit.

The Trust's charitable purpose is enshrined in its objects and the Directors, together with the Chief Executive, review the strategy annually to ensure that it continues to support the Trust's stated aims and objectives.

Local Authorities and the Education and Skills Funding Agency pay fees for the Trust's services. Rigorous assessments are carried out prior to offering places in the School and College. Services are offered on the basis of need and suitability and are subject to funding approvals by the relevant funding bodies.

Special rates are available to disabled users of the sports facilities.

Corporate Governance

The duties and responsibilities of Directors are enshrined in the Memorandum and Articles of Association of the company. The duties and responsibilities of the Governors are set out in the Scheme of Delegation which delegates operational management of School and College to the respective Governing Bodies. Those bodies meet termly, are chaired by a Director and include independent governors.

There are sub-committees of the Board, chaired by a Director to oversee governance, including remuneration and appointments, audit and financial matters, and to oversee the delivery of Project Transformation.

Directors' induction and responsibilities

Potential new Directors are identified based on the skills and knowledge required by the Charity to support its strategic aims. Candidates are invited for a site-visit, encouraged to attend at least one Board meeting and interviewed by the members of the Remuneration and Appointments Committee.

On appointment, Directors may be allocated to the committee structure, as appropriate. Training is offered to Directors as required and an 'away day' is held for Directors, annually, to review and update the Trust's strategy. The Trustees are included in the Directors and Officers insurance cover, which is maintained by the Trust for all Officers, Directors and Trustees.

Directors meet at least four times a year and at these meetings receive reports from the Executive, Governing Bodies and from the Board's sub-committees. Any strategic decisions recommended by the sub-committees or Governing Bodies have to be ratified by the Directors.

The Executive

The Executive Leadership Team meets monthly. The remuneration of the Chief Executive and Principal is agreed by the Chair of the Board, via the Trust's performance review process. The remuneration of individuals within the Executive Leadership Team is approved by the Chief Executive and Principal.

All pay awards are made after making due reference to Trust performance, individual personal performance, market conditions and external benchmarks.

There are advisory sub-committees of the Executive, comprising Health and Safety and Safeguarding Board, each of which includes at least one Director as a member.

During the year, the Trust expanded its Executive Leadership Team with the addition of two new posts – Director of Communications and Community Engagement, and Director of Service Development. These new posts add capacity to the Executive Team and, amongst other things, provide increased focus on the Sensory, Start and Active services, the development of which form a vital element of the Trust's strategic priorities and plans.

Directors' Strategic Report

Employees and Volunteers

We employ almost 600 full and part time staff whose contribution and commitment to the Trust, its children, young people and their families, is truly inspiring. The Trustees would like to formally place on record their most sincere thanks to our staff for this work; they really are our greatest asset.

Communication with Employees and Staff Welfare

Staff meetings and Staff Engagement Group meetings take place on a regular cycle and support discussion and communication sharing with employees. The Trust newsletter and internal intranet has also enhanced and extended communications across the Trust.

The Trust operates a Health and Wellbeing Group, comprising members from all areas of the Trust and this has continued its work on developing staff engagement and welfare across the year. This is complemented with the work undertaken by the Behaviour Management Co-ordinator, who, in conjunction with Behaviour Champions, works with staff who sometimes can experience the challenging behaviour of some of our students.

Recruitment

The Trust follows Safer Recruitment guidelines and continuously reviews and revises its recruitment and induction processes to ensure it attracts and retains the most suitable personnel.

The Trust is an equal opportunities employer and welcomes applications from disabled candidates. Any disabled candidate who meets the minimum criteria for the person specification will be invited to interview and suitable adaptations made to facilitate this. If the candidate is successful, any necessary workplace adaptations are put in place to ensure that the employee is able to perform their role and access any training so that their personal development is not restricted.

The recruitment of suitably qualified staff continues to be a severe challenge to the Trust, in light of the growth in both the cohort of children and young people with such highly complex needs, and the increasing complexity of their individual needs. This has been further exacerbated by an uncertain labour market as a result of the Covid 19 pandemic.

Throughout the year, the Trust has continually focused on recruiting quality staff. The difficult market conditions, particularly in care, have provided a challenging environment in which to recruit and retain staff. The Trust continues to work towards the recruitment of additional staff across all areas. The recruitment team has used a variety of media and methods to attract new employees including direct recruitment campaigns, agency recruitment spend and by making modifications to the induction processes for new starters. However, staff retention and recruitment remains a key challenge and an area of significant focus for the Trust for the future.

Learning and Development

The Trust provides highly specialist services and therefore requires similarly qualified and specialist skills amongst its staff. Accordingly, we invest significant amounts in our staff training each year. Our Learning and Development team supports staff, governors, trustees and volunteers through a robust induction process and provides ongoing training and support to all staff wanting to obtain qualifications relevant to their role.

**SEASHELL TRUST
DIRECTORS' REPORT
For the year ended 31 August 2021**

Volunteers

Volunteering continues to support the vision of the Trust through volunteers and staff collaborating in every area of the Trust's work. Although opportunities were limited in the early part of the year, due to Covid 19 restrictions, we have successfully gradually re-introduced volunteering roles back into services as restrictions were eased. We have **over 20 individuals** who regularly volunteer their services to the Trust, undertaking a wide variety of activities – from classroom support, to office administration assistance, to support for our CADS™ and sports activities and gardening tasks.

This is in addition to the **8 Corporate Teams**, involving approximately 60 other individuals who supported our work through one-off activities such as painting, decorating and construction.

The total economic value of the 550 hours of volunteering was approximately £11,000.

Fundraising

The Trust does not contract with any individual, group or company of professional fundraisers in pursuance of its ordinary fundraising activities and employs a Head of Fundraising who is a member of the Institute of Fundraising to oversee fundraising activity. Seashell is regulated by the Fundraising Standards Board and actively seeks to comply with those standards. The Trust operates fundraising practices and standards that protect vulnerable people and other members of the public and has not received any complaints in the year in regard to its fundraising activities.

Suppliers

The Trust recognises its responsibility to ensure its charitable business activities are undertaken in accordance with regulatory requirements and best practice. The Trust's procurement policy has been developed to help the Trust achieve best value in the use of limited resources to support the Trust in achieving its overall aims and objectives. It also supports addressing the requirements of the Charity Governance Code and the 2010 Bribery Act by emphasising the responsibility of all staff involved to conduct procurement legally and ethically as well as securing value for money.

All procurement activity adheres to the following key principles:

- transparency – clear procedures to be followed and evidence of adherence retained for audit;
- equal treatment – for all potential suppliers to ensure a level playing field, no favouritism and to ensure best value is obtained;
- wherever possible we endeavour to source potential suppliers from the local area where this can be justified in terms of best value and/or social value;
- suppliers are required to follow Trust safeguarding standards where applicable.

Energy Usage and Sustainability

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon) Regulation 2018, the Trust is required to report its annual UK energy consumption and Greenhouse Gas (GHG) emissions. Energy and GHG emissions have been independently calculated by a third party company for the year ended 31 August 2021.

Reported energy and GHG emissions data is compliant with the requirements under the Streamlined Energy Carbon Reporting (SECR) regulations and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, natural gas and business travel in company-owned or grey-fleet vehicles.

The Total Energy Consumption (TEC) for the Trust for the year ended 31 August 2021 was 5,549kWh (2019-20 5,317,000) resulting in carbon emissions of 1,045 tonnes of carbon dioxide (2019-20 1,024 tonnes). Emissions per employee are considered to be an appropriate intensity ratio; average emissions per employee for the year were 1,856kg (2019-20: 1,781kg per employee). The redevelopment of the campus as part of Project Transformation provides an opportunity for this to be reduced in future years via the replacement of many of our existing, energy inefficient and aged buildings.

Project Transformation

Project Transformation is a continuation of the existing strategy to comprehensively redevelop our campus that delivered our new residential accommodation in 2015 and 2016, and provides for a site-wide redevelopment of our campus in Cheadle Hulme.

This development includes the construction of a new Seashell Royal School Manchester and integrated swimming, hydrotherapy and refectory facilities. Seashell Royal College Manchester will also see major improvements to boost capacity and the quality of the buildings, and there will be improved and extended training, sports, leisure, community engagement and recreational facilities. We will also add a new early years assessment centre and a new cycle track.

It is an ambitious project which is expected to take more than five years to complete and is estimated to cost more than £50 million to build. The first phase of the redevelopment is the construction of the new school and shared facilities building, and the Trust agreed a contract with Willmott Dixon in June 2021 to commence the construction of that facility. The total value of the contract is £21.9m. The school is expected to be operational by autumn 2022. During the year, the Trust spent £4.7m in progressing the new school and associated facilities.

The Trust has recruited a team of professionals (both on an employed and contracted basis) to manage the delivery of Project Transformation and the work of this team is overseen by the Transformation Project Steering Group, a subcommittee of the Board, chaired by a Trustee which meets monthly. Work has begun on the detailed design of the remaining phases of the site redevelopment and on a more defined logistics delivery programme.

SEASHELL TRUST
DIRECTORS' REPORT
For the year ended 31 August 2021

Project Transformation is part-funded by the sale of approximately 33 acres of the surplus land for residential development. In October 2019, the Trust concluded negotiations to sell this land to Bloor Homes. Under the terms of this agreement, the land is to be sold in five tranches, upon the satisfactory discharge of certain conditions. In 2019-20, the Trust obtained planning consent for Project Transformation and this resulted in the sale of approximately 3 acres of land to Bloor for a consideration of £3.3m. The letting of the contract for the construction of the new Royal School Manchester resulted in the conditions required for the sale of the second tranche of land being satisfied, and consequently a further approximately 16 acres of land were transferred to Bloor in June 2021 for a gross consideration of £16.2m. The transfer of the remaining three tranches of land (totalling approximately 14 acres) is conditional on the Trust agreeing contracts for the construction of three further elements of the campus redevelopment. This, in turn, is conditional on Stockport MBC granting detailed planning consent for these phases and the Trust being in receipt of sufficient funding to fulfil those construction contracts.

The balance of funding for Project Transformation is expected to come from other sources, including the Trust's own cash reserves (£3m, which has already been incurred to date), potential bank borrowing and from forecast incomes arising from a capital fundraising appeal. During the year, the Trust received almost £5m of donations from Trust funds, corporates and private individuals towards the Transforming Lives Appeal, enabling the Trust to fund the new school contract.

Strategic Priorities

In 2019-20, the Directors reviewed the Trust's long term strategy and re-focussed on a refreshed set of strategic priorities which shape our plans. These are:

1. Help children, young people with the most profound and complex needs and their families to live their best lives and be happy and valued members of their communities;
2. Provide high quality, co-ordinated and seamless specialist education, care, communication skills, therapy and early intervention services to students from across the UK;
3. Be an employer of choice, engage with and value our team and forge strong links with partners and sector leaders to develop the range of specialist services, provision and training facilities we offer;
4. Establish Seashell, its school, college and campus as a regional, national and international centre of excellence for children and young people with very complex needs;
5. Place inclusive wellbeing, sport and recreation at the heart of our work, with a regional and national centre for student and community use; and
6. Underpin the work of the Trust with robust financial practices, safeguarding of our children and young people, good governance and a supportive approach to our colleagues.

Operational Performance in the Year

In the year ended 31 August 2021, the Trust has sought to deliver its services in line with the above strategic priorities. Whilst this has been impacted by the effects of the Covid 19 pandemic, progress has still been made in a number of key and important areas,

Education

Neither school nor college were inspected by Ofsted during the year and so the existing judgements of "Outstanding" and "Good" for School and College respectively remain. The Ofsted inspection frequency has been significantly disrupted by the Covid 19 pandemic, but both organisations have prepared well in the event of inspections in 2021-22.

Education provision was hugely disrupted in 2019-20 as a result of the pandemic, with the closure of both School and College in March 2020 followed by a graduated re-opening during the summer term. We were able to fully re-open all of School and College to all students at the start of September 2020, and remained fully open for the entire academic year. Throughout the year, the School and College operated in an environment of ever-changing restrictions, which included periods of local and national lockdowns, staff and student Covid 19 testing requirements, and the requirement to form class 'bubbles' to limit cross infection. This necessitated significant adaptations to our 'normal' timetables and academic processes, placing significant strain on staff, management, students and families.

Despite these challenges, student progress has continued and student outcomes, in the form of increased independence, improved communication skills and development of life skills has been good.

In addition, we have continued the deployment of new technologies in both settings in the year to facilitate better recording of student progress and outcomes, delivering operational efficiencies and improved quality of the evidence of student progress.

Care Services

Our care services teams have also had to navigate the complex Covid 19 restrictions referred to above, with further challenges resulting from the need to limit visits to the care homes, and this has limited our ability to truly embed further operational improvements within children's care services in the year. The management team has been strengthened and the short break service is now separately registered with Ofsted, but the Registered Manager post remains appointed on an interim basis only.

As expected, our children's care and young adults care services did not receive an inspection from Ofsted/CQC during the year and hence retain their existing 'Good' judgements. However, the newly registered children's short break service received its first full inspection in the year, and was rated as 'Good'.

Other Services

Our Outreach and Sports services (renamed in the year as Sensory Support and Seashell Active respectively) returned to more normal levels of activity during the year, having been particularly badly affected by the initial phases of the Covid 19 pandemic in 2019-20. The intermittent local and national restrictions required modifications to how these services were delivered and also resulted in some periods where some of these services were closed. However, our Sensory Support and Active teams responded incredibly well to this uncertain environment and have started 2021-22 from a strong platform. The financial viability of these services has been a challenge for the Trust in recent years, and remains a key focus of the two new Executive Directors who were appointed during the year.

Organisational culture and workforce management

Attracting and retaining appropriately qualified staff continues to be the key challenge facing the Trust. We have implemented new workforce management practices in areas such as recruitment, retention and deployment and these new practices have started to bear fruit in the decreased use of high-cost and unfamiliar agency staff.

As part of the refresh of our strategic priorities in the year we have developed a new vision, values and workforce development framework to improve employee engagement, reward and retention. This has included a revised and extended Executive Leadership Team, with enhanced focus on aligning roles and responsibilities to the strategic priorities and improved cross-functional working at all levels of the organisation. This revised Executive structure was implemented in January 2021, and we have started to see the benefits of this increased capacity, particularly within the Sensory Support (Outreach) and Active (Sports) services.

Student Numbers

At the end of the year, the numbers of students and residents on roll were as follows:

	2021	2020
Royal School Manchester **	49	47
Royal College Manchester **	66	68
Childrens Residential Care Services	16	17
Young Adult Residential Care Services	29	32

** at the end of the summer term

Student numbers in school and college at the end of the year were broadly in line with 2020 levels.

We expect that the numbers of students in school will increase towards the 60 student capacity of the new school building in the next two years. As several of these new students will have residential placements, Children's Care resident numbers are expected to increase towards its capacity of 24 beds. College student numbers are already at levels close to capacity (c70 students), although the redevelopment of the college building as part of Project Transformation provides an opportunity to extend this.

Impact of Covid 19 on the Trust

As with many organisations, the Trust has had to adapt its operations, systems and processes to successfully navigate the very many challenges resulting from the Covid 19 pandemic. Whilst the impacts of Covid 19 on the Trust has been much less than in 2019-20, they have still been considerable, in particular in relation to the ways in which the direct support to our students and residents could be delivered and the redeployment of staff across the Trust. The Trust has been successful in being able to deliver a full package of education and care throughout the year, despite the various local and national lockdowns and varying additional restrictions encountered.

Unfortunately, the Trust was required to temporarily pause some services, such as Sports and Outreach provisions during the year but these services have now returned to more normal levels by the year end.

In addition, the Covid 19 restrictions forced a number of planned fundraising events to be cancelled with a significant impact on fundraising incomes.

SEASHELL TRUST
DIRECTORS' REPORT
For the year ended 31 August 2021

The Trust formed a Health Business Continuity Group in 2019-20 to monitor, manage and coordinate its response to the global pandemic. This group, which comprises the Executive Leadership Team, Heads of Service, and members of the Health team met – and continues to meet – on a regular basis to monitor student/resident health concerns, staffing levels, communications, PPE stocks, changes to Covid 19 restrictions and latest government and health advice.

Financial Review

Income

The unrestricted income for the year ended 31 August 2021 and previous year is summarised in the table below:

	2021 £'000	2020 £'000	Change £'000
Donations and legacies	460	358	102
Charitable activities	16,422	15,138	1,284
Other trading activities	191	154	37
Investment income	2	10	(8)
Total Unrestricted Income	17,075	15,660	1,415

Total income from unrestricted funds increased by £1,415,000. This was principally due to increased income from charitable activities in part as a result of a change in mix of students and residents in the year, with new starters in September 2020 having, on average, greater support needs and longer residential packages than leavers in July 2020. This pattern of increased student support needs is expected to continue in the future. In addition, the Trust implemented changes to its fee structure from 1st September 2020, for both new and existing students to better align its fees with its cost base, resulting in an increase in the average fee per student.

Restricted income in the year was £5,218,000, as compared with £363,000 in the year ended 31 August 2020. The majority of this increase relates to the receipt of gifts and donations for the Transforming Lives Appeal in respect of funding pledges for Project Transformation.

Expenditure

Total unrestricted expenditure increased by £897,000 to £17,659,000. This increase in expenditure mirrors, in part, the increase in income arising from the additional needs of the new students attending the Trust. In addition, the Trust implemented an above inflation pay award to staff in the year, including the introduction of enhanced weekend and bank holiday rates of pay for our care services teams.

Unrestricted funds net deficit

The net deficit on unrestricted funds for the year was £581,000, a significant improvement on the £1,124,000 deficit recorded in 2019-20. This reflects the benefits of the implementation of the initial phases of the Trust's Financial Recovery Plan aimed at ensuring the financial sustainability of the Trust. The Trust aims to record a small financial surplus, before depreciation charges each year, and in the year reported a surplus before depreciation of £195,000.

Endowment Fund net surplus

Endowment income of £15,113,000 represents the net profit arising on the disposal of the second tranche of land under the terms of the sale agreement with Bloor to part fund the costs of delivering Project Transformation.

SEASHELL TRUST
DIRECTORS' REPORT
For the year ended 31 August 2021

Net assets

Net assets increased by £19,403,000 in the year to £39,179,000 as at August 2021, compared with £19,776,000 at August 2020. This increase in net assets is the result of the sale of land during the year, and receipt of restricted donations for Project Transformation offset by the deficit on unrestricted activities.

Investments

During the year, the Directors liquidated the remaining part of the Trust's investment portfolio in order to fund elements of Project Transformation.

Reserves

The reserves policy has been reviewed in detail during the year by the Directors. The Directors concluded that in the long term, unrestricted, undesignated reserves (excluding fixed assets) should be maintained at a target level of £3 million. This is in order to give the Trust sufficient flexibility to operate on a day-to-day basis, to take any appropriate decisions to further the Trust's strategic development and in light of the risks that the Trust manages. The Directors have also concluded that operating at levels below this long-term target level is acceptable in the short term, as a long term financial plan for re-building these reserves exists.

Free reserves available for use by the charity exclude designated and restricted funds as well as fixed assets. The majority of fixed assets are held as land and buildings, which are permanently endowed and so cannot be used for revenue purposes. The value of our free reserves at 31 August 2021 is £1,761,000 (2020 £1,712,000), held in the form of current assets, which are available for use by the charity. The Directors have confidence that the Financial Recovery Plan provides a viable path towards re-building these reserves to the target level in the medium term.

Of the remaining reserves, £550,000 (2020: £550,000) are designated for site and strategic development initiatives.

Restricted funds are funds subject to specific requirements specified by the donor at the time of grant and their total value at 31 August 2021 was £2,492,000 (2020: £829,000).

Other Funds - Permanent Endowment – this is property, including land, which the Directors may not spend as if it were income. In the current year the net increase in endowment assets was £17,769,000.

Going concern

The Directors have prepared budgets and projections taking into account possible changes to future income and expenditure which show that the Trust is able to continue to operate as a going concern for the foreseeable future. A reasonable worst-case set of assumptions, including continued Covid 19 impacts, has been considered in making this assessment on going concern.

Therefore the Directors continue to adopt the going concern basis of accounting in preparing the financial statements. The Directors have considered a period in excess of 12 months from the date of the approval of the financial statements in making their assessment. In particular, the Directors do not consider there to be any material uncertainties in regard to the Trust being able to continue to operate as a going concern for the foreseeable future.

Future Plans

The environment within which the Trust operates continues to be one with both significant challenges and opportunities.

There continues to be increased demand for the services the Trust provides, combined with increasing needs and complexities amongst our student cohort. Whilst this provides opportunity to grow and expand our services, our ability to do this is constrained, not least by the shortage of staff with the highly specialist skills required to meet their enhanced needs and the funding constraints to the wider sector.

These factors, together with increased regulatory requirements across our services, combine to provide increased financial pressures on the Trust, as evidenced by the financial deficits reported in unrestricted funds in recent years. The Trust developed a Financial Recovery Plan in 2020 to plot a route to financial sustainability in the medium term. The initial stages of this plan were introduced during the year and have had the intended effect; –the financial deficits have been reduced and the Trust is now on a more stable financial footing. Specific elements of the plan, which were implemented during the year, include a re-alignment of our fee structure with our cost base, the development of a workforce and organisational development strategy, which focuses on how we recruit, manage, motivate, reward and organise our people, and the improved management of high cost agency staff resources.

During the year, we have developed two core programmes – One Seashell and Fit for the Future – which build on the strategies identified in the Financial Recovery Plan and which will be critical in ensuring the Trust achieves its long term strategic priorities. One Seashell places focus on cross-functional working practices across the organisation, ensuring objectives and plans across departments are aligned to the Trust's priorities. It also places emphasis on developing a coaching culture within the Trust, empowering staff to have a voice in the decision-making process and to hold each other accountable for the achievement of those objectives.

Fit for the Future is the name given to the programme of initiatives aimed at improving the cost effectiveness of the services provided by the Trust. Key elements of the programme include increased investment in digital technologies to streamline back office systems and to provide enhanced support to children and young people in more efficient ways, better use of management information to allow for more timely decision-making and review of key processes across the Trust to maximise the opportunities afforded to the Trust by the additional capacity that will be created via Project Transformation.

It is of utmost importance however that, in delivering these programmes, we ensure that the service delivery to our children and young people is not compromised and that our students continue to achieve the outstanding outcomes that they currently do.

Risk Management

During the year, a comprehensive Risk Management Framework was implemented by the Trustees, which provides a more rigorous and robust process around how risks across the Trust are identified, quantified, mitigated and reported. The identification of risk is delegated to the Executive Team and the Chief Executive and Principal who report risk management to the Directors for their oversight, review and approval at Board Meetings.

The most significant risks identified in the current year and how these risks are managed by the Trust are as follows:

Key Risk	How this risk is managed
<p>A serious safeguarding incident occurs or is reported which causes significant reputational damage to the Trust, potentially impacting on the willingness of Local Authorities to place children and young people at the Trust.</p>	<p>The Trust places the greatest of importance to its obligations to ensure the safety and well-being of the children and young people under its care. However, the Directors recognise that the controls and procedures that we have in place to monitor and manage this risk, can be effective in reducing this risk, but cannot completely eliminate it. These key controls and procedures include:</p> <ul style="list-style-type: none"> • We have a dedicated Safeguarding Board, including external, independent representation; • We have a Trust-wide role of Safeguarding Officer; • The Trust has a well-established safeguarding policy, practices and reporting systems which are reviewed continually; • Progressive and developmental safeguarding training and development for all staff; • Liaison with External Safeguarding bodies for best practice initiatives and monitoring; • Procuring appropriate levels of insurance cover to mitigate against any financial risk that the Trust could be exposed to in the event of any allegations or claims; • External reviews of our safeguarding practices and procedures, and • Obtaining expert legal advice and counsel where considered appropriate.
<p>Continuing changes in government policy, which could result in reduced funding levels, additional regulatory requirements and additional costs, despite underlying demand for the Trust's services increasing.</p>	<p>The Trust actively maintains close and positive relationships with the education, health and care teams within its principal Local Authorities, to understand the drivers impacting on their placement behaviour.</p> <p>During 2019-20, we undertook a full review of our fee structure which allowed for greater alignment with the true costs of the service provision. Following extensive consultation with Local Authorities and funding bodies, this resulted in a step-change increase in fees effective September 2021 with further increases planned for future years. This will provide a more secure and viable financial platform for the Trust going forward. In addition, the Trust has developed strong links nationally with sector organisations such as NASS, NATSPEC, CDC and NNPCF as well as close working relationships with the Department for Education.</p>

**SEASHELL TRUST
DIRECTORS' REPORT
For the year ended 31 August 2021**

Key Risk	How this risk is managed
<p>The inability to recruit and retain staff with the requisite skills to meet the increasingly complex needs of our students. This poses a significant challenge to the Trust, that if not adequately addressed could result in staffing shortfalls, reductions in the quality of care that the Trust provides, and/ or additional costs in addressing staffing shortfalls by the use of higher-cost agency workers.</p>	<p>We have continued to implement our 'People Strategy', which sets out a comprehensive and overarching plan to address issues associated with staff recruitment, retention, reward, performance and well-being. This has included a number of initiatives such as:</p> <ul style="list-style-type: none"> • Extending the number and scope of our management training programmes; • Conducted the Job Evaluation Review, including benchmarking salaries against external data, and began a phased implementation of the results of this review; • Provided additional resourcing to the central recruitment team and streamlined recruitment processes and actions to increase the effectiveness of recruitment activity; and • Continuation of recruitment activities beyond the required staffing complement for key roles in order to create a staffing "buffer" to mitigate the impact of staff absences and resignations.
<p>The Trust is reliant on the delivery of the site redevelopment in order to continue to provide its on-site based activities in the medium term. Delays and errors in delivering the redevelopment will adversely impact the Trust's ability to achieve its aims and objectives.</p>	<p>Project Transformation is now firmly in its implementation stage with construction of the new school and shared facilities having started in the year.</p> <p>The Directors closely monitor the progress of the various elements of the project at each Board Meeting.</p> <p>The day-to-day aspects of Project Transformation are considered and managed by a new sub-committee of the board the "Transformation Project Steering Group", which comprises a number of Trustees, members of the Executive, relevant Heads of Service and Specialist Advisors.</p> <p>This group meets monthly, with relevant input from appropriate professional advisors. This group reports to the Board of Directors at each Board Meeting and more frequently when required.</p>
<p>The Covid 19 pandemic continues for a lengthy period of time, resulting in continued requirement for changes in working practices and curtailment of services provided by the Trust.</p>	<p>Since the emergence of Covid 19 in early 2020 the Trust has operated a robust framework to manage the multiple risks that the pandemic presents. The Trust's response to the pandemic is reviewed at each Board Meeting.</p> <p>A "Health Business Continuity Group" consisting of all members of the Executive Leadership Team, the Lead Nurse and relevant Heads of Service continued to meet during the year to develop and review the Trust's response and latest Government guidance and requirements.</p> <p>Key elements of this response includes:</p> <p>Implementation of robust infection control measures across Site;</p> <ul style="list-style-type: none"> • Monitoring of student/resident/staff COVID vaccination levels; • Regular communications to all stakeholders (staff, families, placing authorities, public health); • Redeployment of staff across services; • Individualised Covid risk assessments for each student; • Engagement with sector bodies to ensure our response is in line with that of similar organisations; • Obtaining expert legal, health and insurance advice and counsel where considered appropriate; and • Continual review and update of financial forecasts.

STATEMENT OF THE DIRECTORS DUTIES IN PERFORMANCE OF S172(1) COMPANIES ACT 2019

This Statement is required under Section 414CZA, of the Companies Act 2019 and sets out how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2019 in performing their duties.

The Directors recognise that the long-term success of the company is dependent on having regard to the interests of all of its stakeholders. As a registered charity, the Directors' responsibility also extends to ensuring that the affairs and objectives of the Trust are managed in a way that enhances public trust and support. Key stakeholders include the children and young people educated and cared for by the Trust, their families, their carers, our workforce, Local Authorities and our regulators.

The Board of Directors of Seashell Trust consider that, both individually and collectively, for the year ended 31 August 2021 they have acted in the way that they believe, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole and having regard to the matters set out in s172 (1) (a) to (f) as below:

- a) The likely consequences of any decision in the long term;
- b) The interests of the company's employees;
- c) The need to foster the company's business relationships with suppliers, customers and others;
- d) The impact of the company's operations on the community and the environment;
- e) The desirability of the company maintaining a reputation for high standards of business conduct; and
- f) The need to act fairly between members of the company.

(a) The likely consequences of any decision in the long term

The Directors have regard to the likely consequences of their decisions on the long term objectives and sustainability of the Trust, its stakeholders and the community whilst also preserving its values and culture. As a charity educating and caring for some of the most vulnerable people in our society, the way we behave and our reputation are of utmost importance to us and we consider the short and long term behavioural and reputational impacts of all our decisions. We are dedicated to ensuring we maintain our culture whilst achieving our purpose.

(b) The interests of the company's employees

As referred to on page 3, our employees are fundamental to our success and it is very important that they have the right attitude and the drive to create ideas and set high standards. This requires that the Trust sets the right environment and that this be led "from the top". All employees are encouraged to be honest and regular discussions are held with employees through various means, including regular team meetings, formal staff supervision sessions and via our Staff Engagement Group. We have held the "Investors in People" standard for several years and retained the standard in the previous year.

(c) The need to foster the company's business relationships with suppliers, customers and others.

We seek to carry out our business with similar-minded people who share our vision to help the children, young people and their families live their best lives. We encourage all those with whom we have significant business interests to visit our site, meet our staff, children and young people and see for themselves the work that we do. We look to forge strong, open, transparent and lasting partnerships which is important for our long-term success.

SEASHELL TRUST
DIRECTORS' REPORT
For the year ended 31 August 2021

(d) The impact of the company's operations on the community and the environment.

We are proud to be part of the local and wider communities and have a strong and developing community engagement programme led by our sports and fundraising teams. It is our aim to create opportunities to recruit and develop local people and to understand the local issues that are important to the community and what we can do to support it.

(e) The desirability of the company maintaining a reputation for high standards of business conduct.

All new employees get a New Starter Pack which includes, amongst other things, our history, standards, equal opportunities and training programme. All employees have easy access to our Operating Procedures and Codes of Conduct via our Trust-wide Intranet and understand the requirement for them to comply with the company's high standards of business conduct at all times. Any issues of non-compliance with any of our policies can be dealt with in confidence.

(f) The need to act fairly between members of the company.

The company aims to act with integrity and courtesy in all of its relationships and will consider all members and stakeholders when making decisions for the overall good of the company.

**SEASHELL TRUST
DIRECTORS' REPORT
For the year ended 31 August 2021**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Charity law requires the Directors to prepare accounts for each year which, in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Statement of Recommended Practice "Accounting and Reporting by Charities", give a true and fair view of the charity's financial activities during the year and the financial position at the end of the year. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- As far as they are aware there is no relevant audit information of which the charity's auditors are not aware; and
- They have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In approving the Directors' Report, the Trustees are also approving the Strategic Report in their capacity as Company Directors.

Approved by the Board and signed on its behalf by:

C. L. Smale

C. L. Smale (Feb 4, 2022 09:57 GMT)

C Smale
Chair

Feb 4, 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEASHELL TRUST

Opinion

We have audited the financial statements of Seashell Trust (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of 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.

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 charity 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 directors' 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 charity'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEASHELL TRUST

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Directors' Report which includes the Strategic Report for the purposes of company law, 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 light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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 Directors

As explained more fully in the directors' responsibilities statement set out on page 16, the directors (who are also the trustees of the charitable company for the purposes of charity 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 directors 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 directors are responsible for assessing the charity'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 directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEASHELL TRUST

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 the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted and endowment funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEASHELL TRUST

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 auditor's report.

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:


David Hoose (Feb 4, 2022 10:05 GMT)

Feb 4, 2022

David Hoose (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester
M2 3DE

SEASHELL TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) For the year ended 31 August 2021

	Note	Un- Restricted Funds £'000	Restricted Funds £'000	Endow- ment Funds £'000	2021 Total £'000	2020 Total £'000
<u>INCOME FROM:</u>						
Donations and legacies		460	4,878	-	5,338	429
Charitable activities		16,422	340	-	16,762	15,430
Other trading activities		191	-	-	191	154
Investments		2	-	-	2	10
Other income – profit on disposal of endowment land		-	-	15,113	15,113	3,087
Total Income		<u>17,075</u>	<u>5,218</u>	<u>15,113</u>	<u>37,406</u>	<u>19,110</u>
<u>EXPENDITURE ON:</u>						
Raising funds		(462)	-	-	(462)	(412)
Charitable activities		(17,093)	(347)	-	(17,440)	(16,582)
Other		(104)	-	-	(104)	(70)
Total Expenditure		<u>(17,659)</u>	<u>(347)</u>	<u>-</u>	<u>(18,006)</u>	<u>(17,064)</u>
Net gains/(losses) on investments		<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>(22)</u>
Net (expenditure)/ income	4	<u>(581)</u>	<u>4,871</u>	<u>15,113</u>	<u>19,403</u>	<u>2,024</u>
Transfers between funds		<u>552</u>	<u>(3,208)</u>	<u>2,656</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(29)</u>	<u>1,663</u>	<u>17,769</u>	<u>19,403</u>	<u>2,024</u>
Balances brought forward		<u>2,551</u>	<u>829</u>	<u>16,396</u>	<u>19,776</u>	<u>17,752</u>
Balances carried forward		<u><u>2,522</u></u>	<u><u>2,492</u></u>	<u><u>34,165</u></u>	<u><u>39,179</u></u>	<u><u>19,776</u></u>

All amounts in the year are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

An analysis of the prior year activities by fund type is disclosed in note 2.

SEASHELL TRUST**BALANCE SHEET
As at 31 August 2021****COMPANY NUMBER: 04216714**

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible fixed assets	6	17,271	14,139
Investments	7	-	249
		<u>17,271</u>	<u>14,388</u>
Current assets			
Debtors	8	5,077	3,148
Cash at bank and in hand		19,451	4,683
		<u>24,528</u>	<u>7,831</u>
Creditors: amounts falling due within one year	9	<u>(2,620)</u>	<u>(2,443)</u>
Net current assets		<u>21,908</u>	<u>5,388</u>
Total assets less current liabilities and net assets		<u>39,179</u>	<u>19,776</u>
Endowment funds	11	34,165	16,396
Restricted funds	12	2,492	829
Unrestricted funds			
Designated funds	13	550	550
Unrestricted funds	13	1,972	2,001
		<u>39,179</u>	<u>19,776</u>
Total funds		<u>39,179</u>	<u>19,776</u>

Approved on behalf of the Directors

C. L. Smale
C. L. Smale (Feb 4, 2022 09:57 GMT)

C Smale
Chair
Feb 4, 2022

SEASHELL TRUST**STATEMENT OF CASH FLOWS**

For the year ended 31 August 2021

	2021 £'000	2020 £'000
Cash flow from operating activities		
Net income	19,403	2,024
Depreciation	776	920
(Gains)/Losses on investments	(3)	22
Investment income	(1)	(7)
Gain on sale of fixed assets	(15,113)	(3,088)
(Increase)/Decrease in debtors	(1,928)	779
(Decrease) in creditors	(827)	(322)
	<u>2,307</u>	<u>328</u>
Net cash inflow from operating activities		
	<u>2,307</u>	<u>328</u>
Cashflows from investing activities		
Purchase of buildings and other fixed assets	(3,805)	(484)
Proceeds on sale of fixed assets	16,018	3,268
Purchase of investments	-	-
Proceeds from sale of investments	246	717
Investment income received	1	7
Bank interest received	1	3
	<u>12,461</u>	<u>3,511</u>
Net increase in cash before financing	<u>14,768</u>	<u>3,839</u>
Net increase in cash & cash equivalents	<u>14,768</u>	<u>3,839</u>
Cash at bank and in hand		
Balance at beginning of year	4,683	844
Balance at end of year	<u>19,451</u>	<u>4,683</u>
Increase in cash in the year	<u>14,768</u>	<u>3,839</u>

SEASHELL TRUST

STATEMENT OF CASH FLOWS For the year ended 31 August 2021

	2021 £'000	2020 £'000
Reconciliation of net cash flow to movements in net funds		
Increase in cash in the year	14,768	3,839
Movement in net funds in the year	14,768	3,839
Balance at beginning of year	4,683	844
Net funds at end of year	19,451	4,683
Analysis of net funds		
Cash at bank and in hand	19,451	4,683
Total	19,451	4,683

Analysis of net funds

	As at 1 September 2020 £'000	Increase in Cash in the year £'000	As at 31 August 2021 £'000
Cash at bank and in hand	4,683	14,768	19,451
Total	4,683	14,768	19,451

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2021

1. ACCOUNTING POLICIES

Basis of preparation

Seashell Trust is a charitable company limited by guarantee and registered in England and Wales. The registered address is Stanley Road, Cheadle Hulme, Cheshire, SK8 6RQ.

The financial statements have been prepared under the historical cost convention as modified to include fixed asset investments at fair value. The financial statements are also prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice: "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their financial statements in accordance with Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), effective 1 January 2019.

Seashell Trust meets the definition of a public benefit entity under FRS102.

The financial statements include land and buildings owned by Royal Schools for the Deaf, Manchester Trust (charity no 1092655-1) of which Seashell Trust (charity no 1092655) is a corporate trustee.

Going concern

The Directors have prepared budgets and projections taking into account possible changes to future income and expenditure, which show that the Trust is able to continue as a going concern for the foreseeable future. A reasonable worst-case set of assumptions, including Covid 19 impacts has been considered in making this assessment. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements. The Directors have considered a period in excess of twelve months from the date of the approval of these financial statements in making their assessment. In particular, the Directors do not consider there to be any material uncertainties in regard to the Trust being able to operate as a going concern for the foreseeable future.

Fund accounting:

- **Unrestricted funds** - These are funds that can be used in accordance with the charitable objects at the discretion of the Directors.
- **Designated funds** - These are funds that are set aside by the Directors out of unrestricted general funds for specific future purposes or projects. As such they are not considered to be part of the charity's available free reserves.
- **Restricted funds** - These are funds comprising assets that have been given to the charity subject to certain conditions. They include cash donations and legacies given for a specific purpose.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

Continued

Income:

All income is included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the income have been substantially met, it is probable that the income will be received and the amount can be measured reliably.

- Income from donations and legacies is received by way of grants, donations and bequests and is included in full when the Directors consider receipt of the funds to be probable. Income received for the general purpose of the charity is credited to unrestricted income. Those amounts that are subject to the specific wishes of the donors are included in either restricted or endowment funds according to the nature of the receipt;
- Income arising from other trading activities is accounted for when earned;
- Income from charitable activities represents fees receivable and charges for services, accounted for in the year in which the service is provided. For income received under contracts, income is recognised as the services are performed;
- Income from investments is included when receivable. Bank interest is accounted for on an accruals basis;
- Income is deferred when the income recognition criteria have not been met;
- Profits arising from the disposal of fixed assets are recognised when all conditions attaching to the sale have been satisfied and legal title has been transferred. The profit or loss is recorded net of the residual value of the related asset and any costs associated with its disposal.

Expenditure:

- Expenditure is accounted for on an accruals basis and provision against anticipated costs is made when the Directors consider such costs will likely be incurred. Expenditure includes irrecoverable VAT.
- Costs of raising funds comprise costs associated with raising income from donations and legacies.
- Charitable activity expenditure is made up of those costs incurred by the charity in the delivery of its activities and services. It includes both directly attributable costs and those which are not directly attributable. Such support costs are apportioned to the relevant activity on varying bases, but principally on the basis of the number of staff each activity has within it.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Costs of maintenance are charged to revenue as they are incurred. Fixed assets below a de-minimis limit of £2,000 are not capitalised.

Assets in the course of construction are stated at cost less provision for impairment and are transferred to completed assets when substantially all the activities necessary to get the asset ready for use are complete. Cost includes externally incurred costs associated with the asset, including construction related project management costs, architectural fees and construction enabling works. Projects that are in the early stages of planning are capitalised when the Directors are satisfied that the necessary consents will be received and the projects will be completed. Each year the Directors review assets in the course of construction for any potential impairment and make provision if deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2021

Continued

Depreciation is provided on each tangible fixed asset once that asset is brought into use, other than freehold land, at rates calculated to write off the cost of each asset, less its estimated residual value evenly over its estimated useful economic life, as follows:

Freehold buildings including the	
Sports Hall	- 3-60 years
Fixtures and equipment	- 5 years
Motor vehicles	- 5 years
Hydrotherapy pool	- 10 years
Swimming pool	- 20 years

Where a fixed asset is considered to have a useful life in excess of 50 years, an annual impairment review is performed to assess the carrying value of the residual fixed asset as recoverable.

Fixed asset investments

Listed investments are revalued to open market value on an annual basis in accordance with FRS102. Any gains or losses on revaluation are taken to the Statement of Financial Activities and recorded under "Net gains/ (losses) on investments". Fixed asset investments include cash on deposit with a maturity in excess of 3 months at the balance sheet date.

Pension schemes

The Company participates in a multi-employer pension scheme, the Government's Teachers' Pension Defined Benefits Scheme, for its teaching staff. It is not possible to identify the assets and liabilities of the Scheme that are attributable to the charity. Accordingly, under FRS102 the Scheme is accounted for as if it were a defined contribution scheme.

The charity has arranged a Group Personal Pension Scheme with Legal & General, a defined contribution scheme for those members of staff who are not eligible to join the Teachers' Pension Scheme.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

Taxation

Seashell Trust is a registered charity and, as such, is not liable for taxation on its charitable income.

Financial instruments

The Company only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Charity and their measurement basis are as follows:

- **Financial Assets** – fees, accrued income and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 8.
- **Cash at bank** – is classified as a basic financial instrument and is measured at face value.
- **Financial liabilities** – trade creditors and other creditors are financial instruments and are measured at amortised cost as detailed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2021

Continued

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities in equal annual instalments over the period of the lease.

Critical accounting judgements and key sources of estimation uncertainty

Accounting Judgements

Recognition of profit on the sale of endowment land

The contract under which the Trust has agreed to sell part of its land-holding, provides that the land be transferred to the purchaser in tranches, with legal title of each tranche only being completed upon the satisfactory completion of certain conditions. Not all of these conditions are wholly within the control of the Trust. Consequently, profit on the sale of endowment land is only recognised when all conditions attaching to its sale have been satisfied and legal title transferred. The profit on sale is calculated net of the carrying value attaching to the land sold, together with associated planning, legal and other disposal costs, in proportion to the amount of land legally sold.

Recognition of income from donations

Where receipt of income from donations is contingent on the Trust satisfying certain conditions, the income is only recognised by the Trust where such conditions are wholly within the control of the Trust and once it is probable that all conditions attaching to the donation will be met.

Estimation Uncertainty

Use of estimates in determining carrying amounts of assets and liabilities

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Depreciation

In respect of depreciation, this is calculated by reference to an estimated useful economic life of each major asset category. Judgement is applied in the regular review of useful economic lives, taking into account factors such as actual or planned changes in use of an asset, ongoing costs of maintenance, refurbishment and replacement of that asset and by reference to anticipated residual values.

Assets in the course of construction

Assets in the course of construction are stated at cost less any provision for impairment. The calculation of any impairment provision in respect of the costs of Project Transformation requires judgement about the value of those costs now that planning consent has been granted. This year's review considered that no impairment provision was required on the basis that these costs will be of value in assisting the Trust in delivering Project Transformation.

SEASHELL TRUST**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 August 2021**2. Analysis of Prior Year Statement of Financial Activities**

	Note	Un- Restricted Funds £'000	Restricted Funds £'000	Endow- ment Funds £'000	2020 Total £'000
<u>INCOME FROM:</u>					
Donations and legacies		358	71	-	429
Charitable activities		15,138	292	-	15,430
Other trading activities		154	-	-	154
Investments		10	-	-	10
Other income – profit on disposal of endowment land	4	-	-	3,087	3,087
Total Income		15,660	363	3,087	19,110
<u>EXPENDITURE ON:</u>					
Raising funds		(412)	-	-	(412)
Charitable activities		(16,280)	(302)	-	(16,582)
Other		(70)	-	-	(70)
Total Expenditure		(16,762)	(302)	-	(17,064)
Net (losses) on investments		(22)	-	-	(22)
Net (expenditure)/ income	4	(1,124)	61	3,087	2,024
Transfers between funds		1,239	(84)	(1,115)	-
Net movement in funds		115	(23)	1,932	2,024
Balances brought forward		2,436	852	14,464	17,752
Balances carried forward		2,551	829	16,396	19,776

SEASHELL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

3. ANALYSIS OF EXPENDITURE

(a) Analysis of total expenditure:

	Staff costs £'000	Support costs £'000	Other direct costs £'000	2021 Total £'000	2020 Total £'000
Unrestricted funds					
Expenditure on raising funds	308	96	58	462	412
Expenditure on Charitable activities	13,030	1,701	2,362	17,093	16,280
Other expenditure	-	-	104	104	70
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total unrestricted expenditure	13,338	1,797	2,524	17,659	16,762
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted funds					
Charitable activities	190	-	157	347	302
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total restricted expenditure	190	-	157	347	302
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditure	<u>13,528</u>	<u>1,797</u>	<u>2,681</u>	<u>18,006</u>	<u>17,064</u>

(b) Support costs

Support costs relate to non-staffing costs that are incurred by the Trust that are not directly attributable to a specific activity, such as overheads including costs of central support functions (Finance, IT, HR etc.) and site related costs (general utility costs, insurance, site security etc.).

(c) Other direct costs

Other direct costs include non-staffing costs, including the costs of agency supply workers, which are directly incurred by the relevant activities of the Trust and include items such as catering and cleaning costs, purchase of educational and training materials, maintenance expenditure and depreciation costs.

SEASHELL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

4. NET INCOME/(EXPENDITURE)

Net expenditure is stated after charging/(crediting):

	2021 £'000	2020 £'000
Auditors' remuneration – audit services	19	19
Auditors' remuneration – assurance services	1	1
Depreciation	776	920
Hire costs	15	15
Profit on disposal of endowment land	(15,113)	(3,087)
	<u> </u>	<u> </u>

In the previous financial year, the Trust entered into a conditional agreement to sell approximately 33 acres of its land to Bloor Homes Limited. The agreement allows for the sale of this 33 acres in discrete tranches, with the sale of each tranche being linked to, and conditional on, the Trust entering into legally binding contracts for the construction of individual elements of Project Transformation.

The Trust obtained outline planning consent for Project Transformation in April 2020, satisfying the first key condition of the agreement and consequently the first tranche of the land sale was completed in July 2020. This resulted in the legal transfer of approximately three acres of land to Bloor Homes Limited. The income received in respect of this initial land transfer was £3,267,000, and was recognised in the year ended 31 August 2020.

During the year ended 31 August 2021, the conditions attaching to the second tranche of the land sale were satisfied, principally the letting of the contract to construct the new Royal School Manchester and shared facilities building. This resulted in the legal transfer of approximately 16 acres of land to Bloor Homes Limited. The income received in respect of this land transfer was £16.2million.

In previous years, the Trust had incurred £1,858,000 of costs in concluding an agreement for the disposal of the 33 acres of land. These costs include legal costs in relation to the sale agreement, planning advisory and consultancy costs, associated legal and planning application fees in progressing the planning application through its various stages, including the costs of the public planning inquiry in 2019, and land agent fees. These costs have been capitalised within assets under construction. These costs will be expensed to the Statement of Financial Activities in line with the proportion of land that is sold and consequently, an amount of £1,112,000 has been deducted from the proceeds of the land transfer in arriving at the net profit on the sale of endowment land as recorded in the Statement of Financial Activities for the year ended 31 August 2021.

SEASHELL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

5. EMPLOYMENT COSTS

	2021 £'000	2020 £'000
Wages and salaries	11,919	11,135
Social security costs	953	881
Pension contributions	656	635
	<u>13,528</u>	<u>12,651</u>

The average monthly number of employees in the year was 563 (2020: 575), of which 38 were qualified teachers and 24 were bank staff (2020: 34 and 37 respectively) without specified contractual hours. As at 31 August 2021, the total number of employees was 609 (2020: 592).

Neither the Directors nor persons connected with them received any remuneration or other benefits. The sum of £161 (2020: £nil) was reimbursed for travel expenses incurred by one (2020: nil) Director during the year.

The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 during the year was:

	2021 Number	2020 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	1	2
£80,001 - £90,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-
	<u> </u>	<u> </u>

The amount of pension contributions paid into the Pension Scheme for these individuals amounted to £85,000 (2020: £82,000).

The key management personnel is considered by the Directors to be the members of the Trust's Executive Leadership Team as disclosed in the Directors' Report. The total remuneration (including pension and employer national insurance contributions) of the key management personnel for the year was £763,000 (2020: £502,000). The additional cost over 2020 follows the expansion of the Executive Leadership Team in the year.

SEASHELL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

6. FIXED ASSETS

	Freehold land & buildings £'000	Sports pitch, Sports hall, Hydro & Swimming pool £'000	Motor vehicles £'000	Fixtures & equipment £'000	Assets under Construction £'000	Total £'000
Cost						
At 1 September 2020	14,756	2,174	450	2,664	2,964	23,008
Additions	-	-	51	67	4,702	4,820
Disposals	-	(6)	(9)	-	(906)	(921)
Transfers	-	-	-	-	-	-
At 31 August 2021	14,756	2,168	492	2,731	6,760	26,907
Depreciation						
At 1 September 2020	4,887	1,157	351	2,474	-	8,869
Charge for the year	491	56	61	168	-	776
Disposals	-	-	(9)	-	-	(9)
At 31 August 2021	5,378	1,213	403	2,642	-	9,636
Net book value						
At 31 August 2021	9,378	955	89	89	6,760	17,271
At 31 August 2020	9,869	1,017	99	190	2,964	14,139

The land and buildings are legally owned by Royal Schools for the Deaf Manchester Trust (charity no 1092655-1) of which Seashell Trust (charity no 1092655) is a corporate Trustee. The land on which the sports pitch is constructed is subject to a legal charge in favour of a third party.

SEASHELL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

Continued

7. FIXED ASSET INVESTMENTS

MARKET VALUE

	Listed investments £'000
At 1 September 2020	249
Additions	-
Disposal proceeds	(252)
Revaluation gains - realised	3
Revaluation gains – unrealised	-
	<u> </u>
At 31 August 2021	-
	<u> </u>
Historic cost	-
	<u> </u>

8. DEBTORS

	2021 £'000	2020 £'000
Fees	2,541	2,716
Accrued income	133	265
Other debtors and prepayments	2,403	167
	<u> </u>	<u> </u>
	5,077	3,148
	<u> </u>	<u> </u>

Where debtors arise from fees in respect of future periods they are also included in deferred income within creditors: amounts falling due within one year as disclosed in Note 9.

Included within other debtors and prepayments is £2,000,000 receivable from a charitable trust in respect of a donation in connection with Project Transformation. This amount was received in September 2021. Further gifts, in the amount of £3,000,000 are expected from this charitable trust in the future, upon Seashell satisfactorily achieving certain conditions of funding.

SEASHELL TRUST**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2021

Continued

9. CREDITORS: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	201	269
Taxation and Social Security	263	209
Deferred income	570	1,526
Other creditors and accruals	1,586	439
	<u>2,620</u>	<u>2,443</u>
	2021	2020
	£'000	£'000
Deferred income:		
Balance at 1 September	1,526	1,527
Amount released to income	(1,526)	(1,527)
Amount deferred in year	570	1,526
	<u>570</u>	<u>1,526</u>
Balance at 31 August	<u>570</u>	<u>1,526</u>

Deferred income includes amounts invoiced in advance in respect of student fees.

10. ALLOCATION OF THE CHARITY'S NET ASSETS

As at 31 August 2021	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Endowment funds	17,060	-	17,105	34,165
Restricted funds	-	-	2,492	2,492
Unrestricted funds	211	-	1,761	1,972
Unrestricted designated	-	-	550	550
	<u>17,271</u>	<u>-</u>	<u>21,908</u>	<u>39,179</u>
Total net assets	<u>17,271</u>	<u>-</u>	<u>21,908</u>	<u>39,179</u>
As at 31 August 2020	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Endowment funds	13,850	-	2,546	16,396
Restricted funds	-	-	829	829
Unrestricted funds	289	249	1,463	2,001
Unrestricted designated	-	-	550	550
	<u>14,139</u>	<u>249</u>	<u>5,388</u>	<u>19,776</u>
Total net assets	<u>14,139</u>	<u>249</u>	<u>5,388</u>	<u>19,776</u>

SEASHELL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

Continued

11. ENDOWMENT FUNDS

	Balance at 1 September 2020	Income	Expense	Transfers	Balance at 31 August 2021
	£'000	£'000	£'000	£'000	£'000
Royal Schools for the Deaf Endowment	16,396	15,113	-	2,656	34,165
	<u>16,396</u>	<u>15,113</u>	<u>-</u>	<u>2,656</u>	<u>34,165</u>
	<u><u>16,396</u></u>	<u><u>15,113</u></u>	<u><u>-</u></u>	<u><u>2,656</u></u>	<u><u>34,165</u></u>

	Balance at 1 September 2019	Income	Expense	Transfers	Balance at 31 August 2020
	£'000	£'000	£'000	£'000	£'000
Royal Schools for the Deaf Endowment	14,646	3,087	-	(1,115)	16,396
	<u>14,646</u>	<u>3,087</u>	<u>-</u>	<u>(1,115)</u>	<u>16,396</u>
	<u><u>14,646</u></u>	<u><u>3,067</u></u>	<u><u>-</u></u>	<u><u>(1,115)</u></u>	<u><u>16,396</u></u>

Royal Schools for the Deaf Endowment

In accordance with the Charity Commission's view that the land and buildings are presumed to be endowed unless evidence exists to the contrary, £2,656,000 has been transferred to endowment funds from restricted and unrestricted reserves during the year, reflecting the land and building additions in the year, some of which were funded by restricted donations, net of the depreciation charge during the year in respect of endowed fixed assets.

SEASHELL TRUST**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2021

Continued

12. RESTRICTED FUNDS

	At 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 August 2021 £'000
Transforming Lives Appeal Phase 2	494	4,801	-	(3,186)	2,109
Sundry Funds	335	417	(347)	(22)	383
	<u>829</u>	<u>5,218</u>	<u>(347)</u>	<u>(3,208)</u>	<u>2,492</u>

The Trust's policy is that once restricted funds have been used for the purpose for which they were intended any assets purchased are held in unrestricted funds provided that there is no indication that the donor intended the usage to be restricted.

	At 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 August 2020 £'000
Transforming Lives Appeal Phase 2	494	-	-	-	494
Sundry Funds	358	363	(302)	(84)	335
	<u>852</u>	<u>363</u>	<u>(302)</u>	<u>(84)</u>	<u>829</u>

SEASHELL TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

Continued

13. UNRESTRICTED FUNDS

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment gains £'000	Balance at 31 August 2021 £'000
Designated Strategy Development Unrestricted funds	550	-	-	-	-	550
	<u>2,001</u>	<u>17,075</u>	<u>(17,659)</u>	<u>552</u>	<u>3</u>	<u>1,972</u>
	<u><u>2,551</u></u>	<u><u>17,075</u></u>	<u><u>(17,659)</u></u>	<u><u>552</u></u>	<u><u>3</u></u>	<u><u>2,522</u></u>

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment losses £'000	Balance at 31 August 2020 £'000
Designated Strategy Development Unrestricted funds	550	-	-	-	-	550
	<u>1,886</u>	<u>15,660</u>	<u>(16,762)</u>	<u>1,239</u>	<u>(22)</u>	<u>2,001</u>
	<u><u>2,436</u></u>	<u><u>15,660</u></u>	<u><u>(16,762)</u></u>	<u><u>1,239</u></u>	<u><u>(22)</u></u>	<u><u>2,551</u></u>

Unrestricted designated

The designated fund has been established to ring-fence funds for the future development of the Trust's strategy including Site development costs and start-up costs for the development of new services to the Trust. It is expected that these funds will be used within the next 2-5 years.

Unrestricted

The Unrestricted Funds include £342,645 in respect of grants received for the rebuilding of the schools on the site at Stanley Road, Cheadle Hulme. They are repayable to HM Government only in the event that the buildings are sold at some future date. In the opinion of the Directors this eventuality is so remote as to enable the funds to be categorised as unrestricted.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 August 2021**

Continued

14. OTHER FINANCIAL COMMITMENTS

At 31 August 2021, total commitments under non-cancellable operating leases are as follows:

Amounts payable within	Other	
	2021	2020
	£'000	£'000
Less than 1 year	15	15
Two to five years	18	33
	<u> </u>	<u> </u>

15. CAPITAL COMMITMENTS

Amounts contracted for but not provided for in the financial statements amounted to £17,785,000 (2020: £976,000) in respect of Project Transformation.

16. PENSION COMMITMENTS

The charity participates in the Teachers' Pension Scheme (TPS).

The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by Local Authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers in academies and, since 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

Continued

17. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 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 23 April 2019. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

The key elements of the valuation and the subsequent consultation are:

- employer contribution rates were set at 23.68% of pensionable pay (including a 0.08% levy for administration), an increase from the previous rate of 16.48%;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218.1 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196.1 billion, giving a notional past service deficit of £22.0 billion;
- an employer cost cap of 7.3% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 2.4% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.86%.

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 and has therefore set out above the information available on the TPS.

The pensions charge includes net contributions payable to the TPS fund of £331,000 (2020: £278,000). Contributions payable to the scheme at the year-end amounted to £40,000 (2020: £40,000).

The charity also operates a defined contribution pension scheme for those staff not eligible to join the Teachers' Pension Scheme. The cost for the year represents the charity's contributions to the Scheme of £391,000 (2020: £357,000). Contributions payable to the scheme at the year-end amounted to £67,000 (2020: £59,000).

18. RELATED PARTY TRANSACTIONS

There have been no related party transactions in the year that require disclosure.