

# Seashell

## Directors' Report and Financial Statements

For the year ended 31 August 2023

### Seashell Trust

Registered Charity No: 1092655

Registered Company No: 04216714

Seashell Trust  
Stanley Road, Cheadle Hulme,  
Cheshire, SK8 6RQ  
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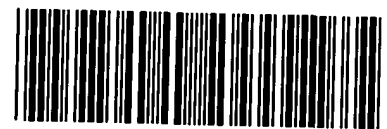


Patron: Her Majesty the Queen  
Chair: Chris Smale  
Chief Executive: Brandon Leigh

Presidents: Tim Exell MBE - Baroness Henlg 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

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## **SEASHELL TRUST**

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**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, Seashell has registered children's, adult, and short breaks care homes for those young people who cannot live with their own families. Placements range from one or two nights to full 52 week all year-round care packages. Our 17 homes are set up to be real homes in every respect and help our young people gain independence skills ready for when the time comes to move on from Seashell.

We provide highly integrated education, health and care packages to children and young adults with the most complex neuro-disabilities and needs in our society. These needs are often co-occurring and include 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 adults. 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 Charity Mission**

Seashell helps children and young adults with the most complex needs, and their families, live their best lives.

## **Our Charity Vision**

Seashell aims to be exceptional in educating and caring for children and young adults with the most complex needs, with an amazing workforce supporting families from its world class campus, and to share its excellence on a national and international platform.

## **Our Charity Values**

Strong charity values run through the core of Seashell. These are the things that are really important to us.

### **Integrity**



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

### **Innovation**



Our children and young adults 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 support.

### **Involvement**



We pride ourselves on developing strong partnerships with children, young adults 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

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### CHARITY ADMINISTRATION

#### Directors

S Gillingham (3\*)  
M Heath (2\*, 4)  
C Hoggins (3)  
S Hurst (resigned 27 June 2023)  
N Masom (2)  
R McMillan (1, 6)  
J Munnely (appointed 10 October 2022)  
L Perry (4\*, 5\*)  
C Povey (1, 6\*)  
C Smale (1\*, 2, 3) (Chair)  
K Uus  
T Wilkins (1, 2, 3) (Vice Chair)

(1) Member of Remuneration & Appointments Committee  
(2) Member of Audit & Finance Committee  
(3) Member of Transformation Project Steering Group  
(4) Member of RSM Governing Body  
(5) Member of RCM Governing Body  
(6) Member of Safeguarding Board  
\* Chair of relevant Board sub-committee

#### Chief Executive Officer

B Leigh

#### Executive Leadership Team

M Ascroft Director of Finance & Strategy (resigned 3 November 2022)  
B Boddice Director of Finance (appointed 12 December 2022)  
K Duggan Director of Strategy, Health and Wellbeing  
N Giles Director of People & Workplace  
J McCaffrey Director of Care Services (resigned 31 March 2023)  
M Travers Director of Fundraising, Marketing & Communications (appointed 2 March 2023)  
B White Director of Care & Education

#### Address and Registered Office

Stanley Road  
Cheadle Hulme  
Cheadle  
Cheshire SK8 6RQ

**SEASHELL TRUST**

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**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

**Company Registration Number** 04216714

**Charity Registration Number** 1092655

## **Introduction from the Chair of Trustees**

On behalf of the Trustees of Seashell Trust, I am pleased to introduce the Trust's Directors' Report and Financial Statements for the year ended 31 August 2023.

As Chair, it has given me great pleasure to oversee the positive development of the Trust in a number of important and exciting areas during the year.

### **Leadership**

We extend our thanks to Brandon Leigh for his highly effective leadership in his first full year as CEO, during which there have been several changes to the Executive Leadership Team. We thank the previous ELT members for their service to the Trust and offer a warm welcome to new ELT members. Brandon and the whole team are focussed on further developing and delivering the Trust's strategic priorities and ensuring that the Trust provides exceptional services to its beneficiaries.

### **Service delivery**

Seashell has a skilled, dedicated, and flexible workforce that enables the Trust to provide high-quality support for our students, residents, and their families. Attracting and retaining staff in our sector nevertheless remained a challenge during the year due to nationwide labour constraints and we have therefore continued to focus on developing and improving our employee offer which complements competitive rates of pay with an increased range of supplementary well-being and welfare benefits.

### **Inspections**

We had three Ofsted inspections during the year with Royal School Manchester (result - Outstanding), Children's Short Breaks (result - Outstanding) and our Children's homes (result - Good) all being assessed. Seashell's Health Service was also assessed by CQC (result - Outstanding). We were extremely pleased with these outcomes which reflected very positively on the skill, care and dedication of the teams involved and our sincere thanks go to all.

### **Campus**

November 2022 saw the formal opening of our new Bradbury Cycling Centre, a new inclusive learn to ride track and wider cycling trails. Chris Boardman MBE, Chair of Sport England and Olympic champion, officially opened the centre which was made possible thanks to grant funding support from the Bradbury Foundation and the Places to Ride programme, which is being delivered by British Cycling, Sport England and the Department for Digital, Culture, Media & Sport.

Our campus development took a further huge and exciting step forward in February 2023 with the opening of the Moulding Foundation Building. This state-of-the-art facility, sensitively designed by FaulknerBrowns Architects is the new home to the Royal School Manchester, as well as providing shared spaces for Royal College Manchester and community users. The new, fully inclusive building promotes independence and gives greater access to enhanced sensory and physical therapies. It incorporates an assembly hall for 200 people, dining facilities, a high-tech audiology suite and swimming centre comprising both learner and hydrotherapy pools. The building has recently won a number of awards and commendations at the Education Estates Awards.

The Moulding Foundation Building has already made a dramatic, positive difference to its users with its low arousal, calm environment enabling staff to provide more effective behaviour support. This has led to a decrease in the number of incidents within the classroom, across the whole school cohort, since moving from the old school building.

The new building has been made possible through the significant financial donations to our Transforming Lives Appeal, and we remain hugely grateful to all our supporters for their incredible generosity to the Trust over the years.

Plans for our new home for Royal College Manchester continue apace, with building work on the final design expected to begin in the first quarter of 2024. The new college is needed more than

## **SEASHELL TRUST**

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ever as a result of our existing college building having been deemed unsafe in April 2023 due to issues with old concrete roof construction panels (RAAC). Whilst the Trust has been able to refurbish its old school building as a temporary home for college students, the accommodation is sub-optimal. The new college, which will be located next to the Moulding Foundation Building, will also include new sports facilities and modern work spaces for our support services teams.

### **Financial**

Economic conditions were very challenging during the year. Inflation has been higher than we have seen for decades leading to significant financial pressures on the Trust's operations. Under these circumstances the Trust has returned a strong result for the year, and I remain confident that the ELT has the plans and resources to ensure the Trust remains financially sound into the future.

**Chris Smale**

**Chair**

## SEASHELL TRUST

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<b>CONTENTS</b>	<b>Page</b>
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	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	24



## **Directors' Report**

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 2023. 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 Charitable Objects**

Seashell's objects, as described in its Memorandum and Articles of Association, are the advancement of the education (including social and physical training) and/or welfare of children and adults who, through any one or more forms of disability, require special provision for their needs ("Beneficiaries"), and in furtherance of those objects to provide suitable facilities for assessment, nursery care, education, training, work experience, recreation, care, residential accommodation and support for Beneficiaries.

## **Our Services and facilities**

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 condition.

The Trust's facilities comprise a School, **Royal School Manchester ("RSM")** (for students aged 2-19), a College, **Royal College Manchester ("RCM")** (for students aged 19-25), **Children's and Young Adult'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 adults 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 provision 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.

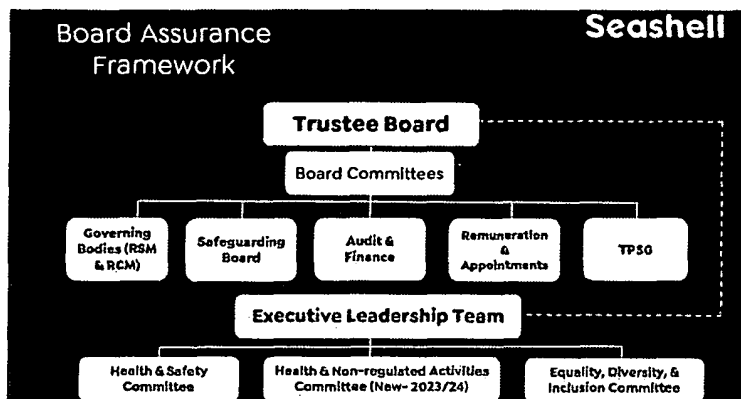
The Trust's charitable purpose is enshrined in its objects and the Directors, together with the Executive Leadership Team ("ELT"), review the strategy annually to ensure that it continues to support the Trust's stated aims and objectives.

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.

Appropriate use of our facilities (e.g., sports) is also made available for use by the public.

## Corporate Governance

Our Board Assurance Framework is summarised in the diagram below.



The duties and responsibilities of Trustee Board 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 RSM and RCM to the respective Governing Bodies. Those bodies meet termly, are chaired by L Perry, a Director, and include independent governors. M Heath, a Director, also sits on the RSM Governing Body.

There are four additional sub-committees of the Board, chaired by a Director to oversee governance: Safeguarding; Audit & Finance; Remuneration & Appointments; and a Transformation Project Steering Group ("TPSG") 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 a specific role within the scheme of governance 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 ELT, Governing Bodies and from the Board's sub-committees. Strategic decisions recommended by the sub-committees or Governing Bodies must be ratified by the Directors.

### Executive Leadership Team

ELT meets monthly. The remuneration of the CEO is agreed by the Chair of the Board, via the Trust's performance review process. The remuneration of individuals within ELT is approved by the CEO.

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

There are three advisory sub-committees of ELT, as summarised in the diagram above, comprising: Health & Safety; Health & Non-Regulated Activities; and Equality, Diversity & Inclusion.

## Directors' Strategic Report

### Employees and Volunteers

We employ approximately 680 full and part time staff whose contribution and commitment to the Trust, its children, young adults 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 Wellbeing**

Staff meetings take place on a regular cycle and support discussion and communication sharing with employees focussing on discussions relevant to different staff groups. A fortnightly engagement survey is carried out which gives managers and ELT a snapshot on staff feedback and alerts them to any immediate areas of concern. The engagement tool also allows colleagues to feedback praise comments. The Trust newsletter and internal intranet further enables staff communication across the Trust.

The Trust has continued to develop its staff engagement and wellbeing offer across the year. The Trust has a range of health and wellbeing benefits available to staff which include counselling, access to physiotherapy, employee assistant programme and debrief support through the Positive Behaviour Support team who work 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 employees.

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, reasonable workplace adaptations are put in place to ensure that the employee can perform their role and access any training so that their personal development is not restricted.

The recruitment of suitably qualified employees continues to be a challenge to the Trust, considering the growth in both the cohort of children and young adults with such highly complex needs, and the increasing complexity of their individual needs. This has been further exacerbated by a challenging labour market, in the care sector in particular, impacted by Covid 19 pandemic, Brexit, the current cost of living pressures and high employment rates.

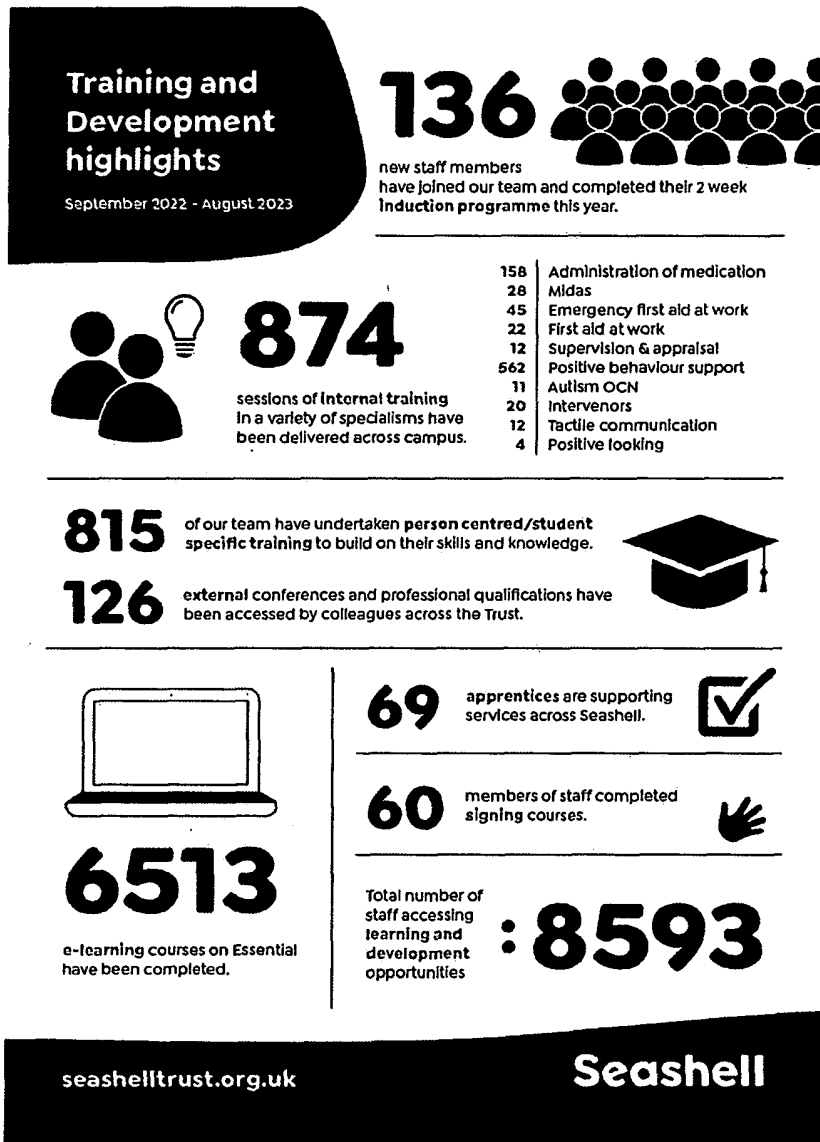
The Trust continues to work towards the recruitment of additional staff across all areas. The recruitment team has been enhanced and has used a variety of media and methods to attract new employees through a number of channels including direct recruitment campaigns, agency recruitment, social media campaigns, open recruitment days, CV search facilities and working with local partners in schools, colleges, universities, and recruitment events. In addition, modifications have been made to the induction processes for new starters and departmental inductions have been developed. The reward and benefits offer to staff has been reviewed in the year and will continue to be an area of focus and development in the coming year. However, staff retention and recruitment remain a key challenge and an area of significant focus for the Trust.

**SEASHELL TRUST**

**Learning and Development**

The Trust provides highly specialist services and therefore requires similarly qualified and specialist skills amongst its staff. Accordingly, we invest appropriately in our staff training each year. Our Learning and Development team supports staff, governors, Directors, and volunteers through a robust induction process and provides ongoing training and support to all staff to obtain qualifications relevant to their role. The Trust launched its Apprenticeship Academy in January 2022, a small cohort of apprentices developing skills, knowledge and training in care, education and other support functions with the aim of recruiting the apprentices to Seashell upon successful completion of their qualification. Apprentices are supported through the Apprenticeship Levy and also levy grants gifted to the Trust by external employers. The academy will continue to grow in the coming year and is another invested pipeline to deliver a highly skilled workforce to the Trust and wider sector.

A summary of learning and development delivery for the year ended 31 August 2023 is detailed in the infographic below:



## SEASHELL TRUST

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### **Volunteers**

Volunteering continues to support the vision of the Trust through volunteers and staff collaborating in every area of the Trust's work. The volunteer offer has been reviewed and refreshed for this year to enable volunteers to undertake a wide variety of activities – from classroom support, to office administration assistance, to support for our CADS™ and sports activities as well as gardening tasks.

We have welcomed 101 Corporate Teams from 42 organisations, involving approximately 1,017 individuals who supported our work through one-off activities such as those described above.

The total economic value of the 5,268 hours of volunteering was approximately £54,893.

### **Fundraising**

Seashell is voluntarily registered with the Fundraising Regulator and actively seeks to fundraise in line with the Code of Fundraising Practice in a way that is legal, open, honest, and respectful. We are also an organisational member of the Chartered Institute of Fundraising. We operate fundraising practices and standards that protect vulnerable people and other members of the public and have received no complaints in the year regarding our fundraising activities. We work with a small number of organisations to help us raise the most funds possible for our students and actively direct and monitor all the activities undertaken through regular meetings and reports, ensuring the same high standards are maintained.

### **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 2023.

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 2023 was 5,629 MWh (2021-22 5,759) resulting in carbon emissions of 1,051 tonnes of carbon dioxide (2021-22 1,077 tonnes). Emissions per employee are considered to be at an appropriate intensity ratio; average emissions per employee for the year were 1.79kg (2021-22: 1.96kg).

The decreased energy usage in the year is the result of the reduced energy required for construction activities on Project Transformation. We expect higher levels of energy usage in the coming year as we continue to build out the campus as part of Project Transformation. However, in the medium and long term, this campus redevelopment is expected to result in significant reductions in energy usage as many of our existing, energy inefficient and aged buildings are replaced.

## **Project Transformation**

Project Transformation is the name given to the programme to comprehensively redevelop our campus in Cheadle Hulme.

This development was initiated with the construction of our new residential accommodation in 2016, continued with the construction of a new 3G sports pitch in 2019, and, in the year ended 31 August 2023, the opening of our new outdoor cycling facilities and the completion of the Moulding Foundation Building, the new home for RSM incorporating integrated swimming, hydrotherapy and refectory facilities, which opened in February 2023.

During the year ended 31 August 2023, £7.3m was spent on delivering Project Transformation, including £0.1m on the learn to ride and cycling facility, £4.6m on the new Royal School Manchester and £2.5m relating to the planning and design of the new Royal College Manchester (which will include extended and enhanced sports, training and administration facilities), on which construction is planned to begin in 2024.

Project Transformation is part-funded by an agreement to sell approximately 33 acres of the Trust's landholding to Bloor Homes. Under the terms of this agreement, the land is to be sold in tranches: approximately 24 acres have been transferred to date; generating a net receipt of c.£22m and approximately a further 9 acres are due to be transferred for a further consideration of c.£11m.

The balance of funding for Project Transformation is expected to come from other sources, including the Trust's own cash reserves (£3m has already been incurred to date), potential bank borrowing and from donations arising from a capital fundraising appeal. During the year, the Trust received a further £3.1m of donations from trust funds and foundations for Project Transformation, including £3m from The Moulding Foundation.

## **Strategic Priorities**

Our strategic priorities which shaped our plans during the year were:

1. To provide exceptional education, care and wellbeing activities for the children and young adults who attend Seashell's campus;
2. To work in partnership with children and young adults, and their families, to provide support through a broad range of interventions;
3. To enhance life after college via development of further social and employment opportunities both on and off campus;
4. To further develop our campus with additional facilities and ensure Seashell plays an important role in the broader community;
5. To share our knowledge and skills nationally and internationally via in-person and digital information sharing and training; and
6. To be an employer of choice operating the highest level of governance and safeguarding with a culture of continuous improvement.

## **Operational Performance in the Year**

In the year ended 31 August 2023, the Trust has sought to deliver its services in line with the above strategic priorities. Good progress has been made in a number of key and important areas.

### **Education**

RSM was inspected by Ofsted in November 2022 and the judgement was Outstanding. RCM was not inspected by Ofsted during the year and so the existing judgement 'Good' remains.

The new home for RSM, the Moulding Foundation Building was opened in February 2023 and has already made a dramatic, positive difference to its users with its low arousal, calm environment enabling staff to provide more effective behaviour support. This has led to a decrease in the number of incidents within the classroom, across the whole school cohort, since moving from the old school building. Student outcomes, in the form of increased independence, improved communication skills and development of life skills, have been good during the year.

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 Children's Care service was inspected by Ofsted during the year and maintained its 'Good' judgement, reflecting the hard work and dedication of staff and the management team. Our Children's Short Break service was also inspected by Ofsted during the year and the judgment was Outstanding.

As expected, our young adults care services did not receive an inspection from CQC during the year and hence retains its existing 'Good' judgement.

The availability of suitably qualified and experienced care staff remains a challenge to the sector nationally and this is felt particularly so at Seashell due to the highly specialist nature of the services we provide.

### **Health & Wellbeing Services**

Our newly registered Health Services team received its first inspection from CQC in September 2022 and was judged 'Outstanding' in all areas.

Within our Active provision, November 2022 saw the formal opening of our new Bradbury Cycling Centre, a learn to ride track and wider cycling trails. The new centre will be open year-round and offers children and young adults from across the region an inclusive cycling offer, which aims to give them access to a bike suitable for their needs, the skills and confidence to use it, and somewhere local, safe and exciting to ride.

### **Organisational culture and workforce management**

Attracting and retaining appropriately qualified staff continues to be the key challenge facing the Trust. Focus remains on recruitment and retention through the continued enhancement of our employee offer, which complements competitive rates of pay with increased health and wellbeing benefits. We continue to closely monitor key staff metrics such as training compliance, absence levels, utilisation, recruitment and retention.



## SEASHELL TRUST

### Student Numbers

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

	2023	2022
Royal School Manchester **	59	50
Royal College Manchester **	68	65
Children's Residential Care Services	13	14
Young Adult Residential Care Services	28	30

\*\* at the end of the summer term

Student numbers in school and college at the end of the year were slightly higher than 2022 levels. We expect that the numbers of students in school will continue to increase towards the 80 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 (c.70 students), although the redevelopment of the college building as part of Project Transformation provides a potential opportunity to expand.

## Financial Review

### Income

The unrestricted income for the year ended 31 August 2023 and previous year is summarised in the table below:

	2023 £'000	2022 £'000	Change £'000
Donations and legacies	840	722	118
Charitable activities	19,692	17,305	2,387
Other trading activities	65	414	(349)
Interest income	66	5	61
<b>Total Unrestricted Income</b>	<b>20,663</b>	<b>18,446</b>	<b>2,217</b>

Total income from unrestricted funds increased by £2,217,000. This was largely due to increased income from charitable activities. Whilst changes in student numbers and their individual support needs contributed to some of this increase, the greater impact was a result of the revisions to the Trust's fee structure implemented from 2020-21.

Income from donations, legacies and other trading activities increased as activities returned to normal levels following the Covid lockdowns and disruptions of previous years.

Restricted income in the year was £3,694,000, as compared with £1,838,000 in the year ended 31 August 2022, which included some particularly large, one-off donations towards the new Royal School Manchester building as part of Project Transformation and the Transforming Lives Appeal.

### Expenditure

Total unrestricted expenditure increased by £3,611,000 to £22,352,000. The Trust implemented an above inflation pay award to staff in the year.

### Unrestricted funds net deficit

The net deficit on unrestricted funds for the year was £1,689,000, an increase on the £296,000 deficit recorded in 2021-22. This reflects an increase in depreciation charge following the opening of the Moulding Foundation Building and increasing inflation within operating costs.

## SEASHELL TRUST

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The Trust aims to record a small financial surplus, before depreciation charges each year, and in the year reported a surplus before depreciation on unrestricted funds of £71,000 (2021-22 £764,000).

### **Endowment Fund net surplus**

The endowment income of £3,059,000 recorded in 2022-23 represents the net profit arising on the disposal of the third tranche of land under the terms of the sale agreement with Bloor to part fund the costs of delivering Project Transformation.

### **Net assets**

Net assets increased by £4,307,000 in the year to £44,338,000 as at August 2023, compared with £40,031,000 at August 2022. This increase in net assets is the net receipt of restricted donations for Project Transformation offset by the deficit on unrestricted activities.

### **Reserves**

The reserves policy states 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 policy also states that operating at levels below this long-term target level is acceptable in the short term, as long as a long term financial plan for re-building these reserves exists. The Trust has such a plan.

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 2023 is £2,819,000 (2022: £2,749,000), held in the form of current assets, which are available for use by the charity.

Of the remaining reserves, £98,000 (2022: £200,000) 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 2023 was £353,000 (2022: £416,000).

**Other Funds - Permanent Endowment** – this is property, including land, which the Directors may not spend as if it were income. As at 31 August 2023 the value of endowment reserves was £40,871,000 (2022: £36,457,000).

### **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 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.

Good progress has been made over recent financial years in implementing changes to the Trust's fee structure, its operating practices and increasing its income from other services to address the financial deficits that the Trust had recorded in recent years and the Trust is now on a much more stable financial footing.

The substantial investment in the new and extended facilities provided by Project Transformation provides additional capacity for growth in income in future years and there continues to be increased demand for the services the Trust provides. Our ability to meet this demand is subject to being able to recruit and retain the appropriate levels of suitably qualified staff, the external UK market for which remains constrained. We are addressing this challenge through various initiatives such as continuing to improve our overall employee offer (which includes a number of health and wellbeing benefits in addition to a competitive salary) and looking to selected overseas markets for the recruitment of certain roles.

The Trust also implemented a substantial, £1 million plus pay award in September 2022 and we have seen good signs that this investment is impacting on improved recruitment and retention metrics.

New on-site facilities provided under Project Transformation are also aiding our staff recruitment and retention objectives.

### Risk Management

The Trust has a Risk Management Framework, which provides a 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 Leadership Team 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 adults 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 adults 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"> <li>• We have a dedicated Safeguarding Board, including external, independent representation;</li> <li>• We have a Trust-wide role of Safeguarding Officer;</li> <li>• The Trust has a well-established safeguarding policy, practices and reporting systems which are reviewed continually;</li> <li>• Progressive and developmental safeguarding training and development for all staff;</li> <li>• Liaison with External Safeguarding bodies for best practice initiatives and monitoring;</li> <li>• 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;</li> <li>• External reviews of our safeguarding practices and procedures, and</li> <li>• Obtaining expert legal advice and counsel where considered appropriate.</li> </ul>
<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 2022/23, we have had to manage increasing costs such as staff costs, energy, and other general costs due to high levels of inflation. These costs are reflected in our fee structure going forward to ensure the Trust remains financially viable.</p> <p>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

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"> <li>• Extending the number and scope of our management training programmes;</li> <li>• Conducted the Job Evaluation Review, including a revised benchmarking exercise whereby salaries are compared with external data;</li> <li>• Streamlined recruitment processes and actions to increase the effectiveness of recruitment activity and added extra resource to the recruitment team;</li> <li>• Implemented a significant uplift in base pay across the Trust effective September 2022; and</li> <li>• 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.</li> </ul>
<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 cost overruns 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 Moulding Foundation Building, the new home to RSM and shared facilities completed in February 2023.</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 the "Transformation Project Steering Group", a sub-committee of the Board which comprises a number of Trustees, members of ELT, 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>

## SEASHELL TRUST

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### 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 adults 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 2023 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 above, 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 adults 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 adults 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

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*(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

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### 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 Smale  
Chair

5 February 2024



## **SEASHELL TRUST**

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### **INDEPENDENT AUDITOR'S REPORT**

#### **Opinion**

We have audited the financial statements of Seashell Trust (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the 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 2023 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.

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.

## **SEASHELL TRUST**

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### **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' and trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' and trustees' 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 above, 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.

### **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.

## **SEASHELL TRUST**

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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.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as 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, money laundering.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks 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 the treatment of liabilities from multi-year grant commitments, the treatment of apportionment of indirect costs, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

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.

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](http://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.

Michael Speight

Michael Speight (Feb 13, 2024 10:46 GMT)

Michael Speight  
(Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
One St Peters Square  
Manchester  
M2 3DE

13-Feb-2024

## SEASHELL TRUST

### STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) For the year ended 31 August 2023

	Note	Un- Restricted Funds £'000	Restricted Funds £'000	Endow- ment Funds £'000	2023 Total £'000	2022 Total £'000
<b><u>INCOME FROM:</u></b>						
Donations and legacies		840	3,200	-	4,040	2,096
Charitable activities		19,692	494	-	20,186	17,769
Other trading activities		65	-	-	65	414
Investments		66	-	-	66	5
Other income – profit on disposal of endowment land		-	-	3,059	3,059	-
<b>Total Income</b>		<u>20,663</u>	<u>3,694</u>	<u>3,059</u>	<u>27,416</u>	<u>20,284</u>
<b><u>EXPENDITURE ON:</u></b>						
Raising funds		(576)	-	-	(576)	(467)
Charitable activities		(21,682)	(757)	-	(22,439)	(18,904)
Other		(94)	-	-	(94)	(61)
<b>Total Expenditure</b>		<u>(22,352)</u>	<u>(757)</u>	<u>-</u>	<u>(23,109)</u>	<u>(19,432)</u>
<b>Net (expenditure)/ income</b>	<b>4</b>	<u>(1,689)</u>	<u>2,937</u>	<u>3,059</u>	<u>4,307</u>	<u>852</u>
<b>Transfers between funds</b>		<u>1,645</u>	<u>(3,000)</u>	<u>1,355</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<u>(44)</u>	<u>(63)</u>	<u>4,414</u>	<u>4,307</u>	<u>852</u>
<b>Balances brought forward</b>		<u>3,158</u>	<u>416</u>	<u>36,457</u>	<u>40,031</u>	<u>39,179</u>
<b>Balances carried forward</b>		<u><u>3,114</u></u>	<u><u>353</u></u>	<u><u>40,871</u></u>	<u><u>44,338</u></u>	<u><u>40,031</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.

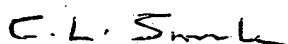
An analysis of the prior year activities by fund type is disclosed in note 2.

**SEASHELL TRUST****BALANCE SHEET**  
As at 31 August 2023

COMPANY NUMBER: 04216714

	Note	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Tangible fixed assets	6	38,648	33,066
		<u>38,648</u>	<u>33,066</u>
<b>Current assets</b>			
Debtors	7	1,999	2,569
Cash at bank and in hand		6,298	7,883
		<u>8,297</u>	<u>10,452</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,607)</u>	<u>(3,202)</u>
<b>Net current assets</b>		<u>5,690</u>	<u>7,250</u>
<b>Total assets less current liabilities and net assets</b>		44,338	40,316
<b>Creditors: amounts falling due after more than one year</b>	9	-	(285)
<b>Net Assets</b>	10	<u>44,338</u>	<u>40,031</u>
<b>Endowment funds</b>	11	40,871	36,457
<b>Restricted funds</b>	12	353	416
<b>Unrestricted funds</b>			
Designated funds	13	98	200
Unrestricted funds	13	3,016	2,958
<b>Total funds</b>		<u>44,338</u>	<u>40,031</u>

Approved on behalf of the Directors

C Smale  
Chair

5 February 2024

**SEASHELL TRUST****STATEMENT OF CASH FLOWS**

For the year ended 31 August 2023

	2023 £'000	2022 £'000
<b>Cash flow from operating activities</b>		
Net income	4,307	852
Depreciation	1,760	1,059
Interest income	(66)	(5)
Gain on sale of fixed assets	(3,059)	-
Decrease in debtors	591	2,508
Increase/(Decrease) in creditors	196	(100)
	<u>3,729</u>	<u>4,314</u>
<b>Net cash inflow from operating activities</b>		
<b>Cashflows from investing activities</b>		
Purchase of buildings and other fixed assets	(8,613)	(15,887)
Proceeds on sale of fixed assets	3,254	-
Bank interest received	45	5
	<u>(5,314)</u>	<u>(15,882)</u>
<b>Net (decrease) in cash before financing</b>	<u>(1,585)</u>	<u>(11,568)</u>
<b>Net (decrease) in cash &amp; cash equivalents</b>	<u>(1,585)</u>	<u>(11,568)</u>
<b>Cash at bank and in hand</b>		
Balance at beginning of year	7,883	19,451
Balance at end of year	6,298	7,883
<b>(Decrease) in cash in the year</b>	<u>(1,585)</u>	<u>(11,568)</u>

**SEASHELL TRUST****STATEMENT OF CASH FLOWS**  
For the year ended 31 August 2023

	2023 £'000	2022 £'000
<b>Reconciliation of net cash flow to movements in net funds</b>		
(Decrease) in cash in the year	(1,585)	(11,568)
<b>Movement in net funds in the year</b>	(1,585)	(11,568)
Balance at beginning of year	7,883	19,451
<b>Net funds at end of year</b>	<u>6,298</u>	<u>7,883</u>
<b>Analysis of net funds</b>		
Cash at bank and in hand	6,298	7,883
<b>Total</b>	<u>6,298</u>	<u>7,883</u>

**Analysis of net funds**

	As at 1 September 2022 £'000	Decrease in cash in the year £'000	As at 31 August 2023 £'000
Cash at bank and in hand	7,883	(1,585)	6,298
<b>Total</b>	<u>7,883</u>	<u>(1,585)</u>	<u>6,298</u>

## SEASHELL TRUST

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### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

#### 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 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.



## SEASHELL TRUST

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2023

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.

## SEASHELL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

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 7.
- **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 8.

## SEASHELL TRUST

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2023

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.

##### ***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 2023

**2. Analysis of Prior Year Statement of Financial Activities**

	Note	Un- Restricted Funds £'000	Restricted Funds £'000	Endow- ment Funds £'000	2022 Total £'000
<b><u>INCOME FROM:</u></b>					
Donations and legacies		722	1,374	-	2,096
Charitable activities		17,305	464	-	17,769
Other trading activities		414	-	-	414
Interest		5	-	-	5
Other income – profit on disposal of endowment land	4	-	-	-	-
<b>Total Income</b>		<u>18,446</u>	<u>1,838</u>	<u>-</u>	<u>20,284</u>
<b><u>EXPENDITURE ON:</u></b>					
Raising funds		(467)	-	-	(467)
Charitable activities		(18,213)	(690)	-	(18,904)
Other		(61)	-	-	(61)
<b>Total Expenditure</b>		<u>(18,741)</u>	<u>(690)</u>	<u>-</u>	<u>(19,432)</u>
Net gains on investments		-	-	-	-
<b>Net (expenditure)/ income</b>	4	<u>(296)</u>	<u>1,147</u>	<u>-</u>	<u>852</u>
<b>Transfers between funds</b>		<u>931</u>	<u>(3,223)</u>	<u>2,292</u>	<u>-</u>
<b>Net movement in funds</b>		<u>636</u>	<u>(2,076)</u>	<u>2,292</u>	<u>852</u>
<b>Balances brought forward</b>		<u>2,522</u>	<u>2,492</u>	<u>34,165</u>	<u>39,179</u>
<b>Balances carried forward</b>		<u><u>3,158</u></u>	<u><u>416</u></u>	<u><u>36,457</u></u>	<u><u>40,031</u></u>

## SEASHELL TRUST

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2023

#### 3. ANALYSIS OF EXPENDITURE

##### (a) Analysis of total expenditure:

	Staff costs £'000	Support costs £'000	Other direct costs £'000	2023 Total £'000	2022 Total £'000
<b>Unrestricted funds</b>					
Expenditure on raising funds	335	128	113	576	467
Expenditure on Charitable activities	15,641	2,423	3,618	21,682	18,213
Other expenditure	-	-	94	94	61
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted expenditure	15,976	2,551	3,825	22,351	18,741
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>					
Charitable activities	277	-	480	757	691
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted expenditure	277	-	480	757	691
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	<u>16,253</u>	<u>2,551</u>	<u>4,305</u>	<u>23,109</u>	<u>19,432</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 2023

#### 4. NET INCOME / EXPENDITURE

Net income / expenditure is stated after charging/(crediting):

	2023 £'000	2022 £'000
Auditors' remuneration – audit services	26	22
Auditors' remuneration – assurance services	-	1
Depreciation	1,760	1,059
Hire costs	-	15
Profit on disposal of endowment land	(3,059)	-

In the year ended 31 August 2020, 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 these 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.

During the year ended 31 August 2023, the conditions attaching to a further tranche of the land sale were satisfied. This resulted in the legal transfer of approximately 3 acres of land to Bloor Homes Limited. The income received in respect of this land transfer was £3.3 million.

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 are being expensed to the Statement of Financial Activities in line with the proportion of land that is sold and consequently, an amount of £0.2m was 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 2023.

## SEASHELL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

#### 5. EMPLOYMENT COSTS

	2023 £'000	2022 £'000
Wages and salaries	14,285	12,473
Social security costs	1,231	1,054
Pension contributions	736	673
	<u>16,253</u>	<u>14,200</u>

The average monthly number of employees in the year was 586 (2022: 549), of which, 37 were qualified teachers and 42 were bank staff (2022: 37 and 34 respectively) without specified contractual hours. As at 31 August 2023, the total number of employees was 680 (2022: 617).

Neither the Directors nor persons connected with them received any remuneration or other benefits. The sum of £1,729 (2022: £715) was reimbursed for travel expenses incurred by two (2022: two) Directors during the year.

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

	2023 Number	2022 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	1	3
£80,001 - £90,000	3	2
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	2
£180,001 - £190,000	1	1
	<u>1</u>	<u>1</u>

The amount of pension contributions paid into the Pension Scheme for these individuals amounted to £94,000 (2022: £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 £776,000 (2022: £924,000).

**SEASHELL TRUST****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2023

**6. FIXED ASSETS**

	Freehold land & buildings £'000	Sports facilities £'000	Motor vehicles £'000	Fixtures & equipment £'000	Assets under Construction £'000	Total £'000
<b>Cost</b>						
At 1 September 2022	14,723	2,816	533	2,844	22,845	43,761
Additions	-	-	17	85	7,434	7,536
Disposals	-	-	-	-	(195)	(195)
Transfers	24,607	-	-	-	(24,607)	-
At 31 August 2023	<u>39,330</u>	<u>2,816</u>	<u>550</u>	<u>2,930</u>	<u>5,477</u>	<u>51,102</u>
<b>Depreciation</b>						
At 1 September 2022	6,239	1,288	464	2,704	-	10,695
Charge for the year	1,572	73	48	67	-	1,760
Disposals	-	-	-	-	-	-
At 31 August 2023	<u>7,811</u>	<u>1,361</u>	<u>512</u>	<u>2,771</u>	<u>-</u>	<u>12,455</u>
<b>Net book value</b>						
At 31 August 2022	<u>8,484</u>	<u>1,528</u>	<u>69</u>	<u>140</u>	<u>22,845</u>	<u>33,066</u>
At 31 August 2023	<u>31,519</u>	<u>1,454</u>	<u>38</u>	<u>159</u>	<u>5,477</u>	<u>38,648</u>

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 and cycle track are constructed are subject to legal charges in favour of two third parties.



**SEASHELL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 August 2023

**7. DEBTORS**

	2023 £'000	2022 £'000
Fees	1,262	2,055
Accrued income	102	148
Other debtors and prepayments	635	366
	<u>1,999</u>	<u>2,569</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 8.

**SEASHELL TRUST****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2023

**8. CREDITORS: amounts falling due within one year**

	2023 £'000	2022 £'000
Trade creditors	558	663
Taxation and Social Security	329	263
Deferred income	233	439
Other creditors and accruals	1,487	1,837
	<u>2,607</u>	<u>3,202</u>

	2023 £'000	2022 £'000
<b>Deferred income:</b>		
Balance at 1 September	439	570
Amount released to income	(439)	(570)
Amount deferred in year	233	439
	<u>233</u>	<u>439</u>

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

**9. CREDITORS: amounts falling due after more than one year**

	2023 £'000	2022 £'000
Other creditors and accruals	-	285
	<u>-</u>	<u>285</u>

Other creditors and accruals relate to retention amounts payable to the Contractor of the new Royal School Manchester building falling due upon the satisfactory expiration of the relevant defects period following practical completion of that building.

**SEASHELL TRUST****NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 August 2023**10. ALLOCATION OF THE CHARITY'S NET ASSETS**

<b>As at 31 August 2023</b>	<b>Tangible fixed assets £'000</b>	<b>Net other assets £'000</b>	<b>Total £'000</b>
Endowment funds	38,451	2,420	40,871
Restricted funds	-	353	353
Unrestricted funds	197	2,819	3,016
Unrestricted designated	-	98	98
<b>Total net assets</b>	<b>38,648</b>	<b>5,690</b>	<b>44,338</b>

<b>As at 31 August 2022</b>	<b>Tangible fixed assets £'000</b>	<b>Net other assets £'000</b>	<b>Total £'000</b>
Endowment funds	32,857	3,600	36,457
Restricted funds	-	416	416
Unrestricted funds	209	2,749	2,958
Unrestricted designated	-	200	200
<b>Total net assets</b>	<b>33,066</b>	<b>6,965</b>	<b>40,031</b>

**SEASHELL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2023

**11. ENDOWMENT FUNDS**

	Balance at 1 September 2022	Income	Expense	Transfers	Balance at 31 August 2023
	£'000	£'000	£'000	£'000	£'000
Royal Schools for the Deaf Endowment	36,457	3,059	-	1,355	40,871
	<u>36,457</u>	<u>3,059</u>	<u>-</u>	<u>1,355</u>	<u>40,871</u>

	Balance at 31 August 2021	Income	Expense	Transfers	Balance at 31 August 2022
	£'000	£'000	£'000	£'000	£'000
Royal Schools for the Deaf Endowment	34,165	-	-	2,292	36,457
	<u>34,165</u>	<u>-</u>	<u>-</u>	<u>2,292</u>	<u>36,457</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, £1,355,000 has been transferred to endowment funds from restricted and unrestricted reserves during the year, reflecting the land and building additions in the year and restricted donations relating to Project Transformation not yet spent, 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 2023

**12. RESTRICTED FUNDS**

	At 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 August 2023 £'000
Transforming Lives Appeal Phase 2	138	3,199	(205)	(3,000)	132
Sundry Funds	278	495	(552)	-	221
	<u>416</u>	<u>3,694</u>	<u>(757)</u>	<u>(3,000)</u>	<u>353</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.

During the year £3,000,000 of Transforming Lives Appeal Phase 2 funds has been transferred to Endowment Funds relating to the costs of Project Transformation.

	At 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 August 2022 £'000
Transforming Lives Appeal Phase 2	2,109	1,393	(141)	(3,223)	138
Sundry Funds	383	445	(550)	-	278
	<u>2,492</u>	<u>1,838</u>	<u>(691)</u>	<u>(3,223)</u>	<u>416</u>

## SEASHELL TRUST

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2023

#### 13. UNRESTRICTED FUNDS

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2023 £'000
<b>Designated Strategy Development Unrestricted funds</b>	200	-	-	(102)	98
	<u>2,958</u>	<u>20,663</u>	<u>(22,352)</u>	<u>1,747</u>	<u>3,016</u>
	<u>3,158</u>	<u>20,663</u>	<u>(22,352)</u>	<u>1,645</u>	<u>3,114</u>
	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2022 £'000
<b>Designated Strategy Development Unrestricted funds</b>	550	-	-	(350)	200
	<u>1,972</u>	<u>18,446</u>	<u>(18,741)</u>	<u>1,281</u>	<u>2,958</u>
	<u>2,522</u>	<u>18,446</u>	<u>(18,741)</u>	<u>931</u>	<u>3,158</u>

#### Unrestricted designated

Strategy Development Fund: this designated fund was 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 (outside of Project Transformation). It is expected that the balance of these funds will be used within the next year. During the year, £102k has been transferred to endowment funds to reflect site investments made during the year.

#### 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. The transfer of £1,747,000 primarily represents the transfer of depreciation charge relating to endowed assets to the Endowment Fund.

## SEASHELL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

#### 14. OTHER FINANCIAL COMMITMENTS

At 31 August 2023, total commitments under non-cancellable operating leases are as follows:

Amounts payable within	Other	
	2023 £'000	2022 £'000
Less than 1 year	5	5
Two to five years	-	-
	<u>5</u>	<u>-</u>

#### 15. CAPITAL COMMITMENTS

Amounts contracted for but not provided for in the financial statements amounted to £Nil (2022: £2,901,000) 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.

##### 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.

## SEASHELL TRUST

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2023

#### 16. PENSION COMMITMENTS (continued)

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 contributions payable to the TPS fund of £342,000 (2021-22: £337,000). £55,000 (2021-22: £52,000) of these TPS contributions were reimbursed to Seashell by the Department for Education. Contributions payable to the scheme at the year-end amounted to £40,000 (2022: £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 £460,000 (2021-22: £406,000). Contributions payable to the scheme at the year-end amounted to £84,000 (2022: £67,000).

#### 17. RELATED PARTY TRANSACTIONS

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