SEASHELL TRUST

England & Wales · Charity number 1092655

Details

Other names	SEA SHELL TRUST, SEA SHELL TRUSTEE LIMITED
Status	Registered
Legal form	Charitable company
Company number	04216714
Registered	2002-06-27
Register	View on the Charity Commission register

Contact

Address	Seashell Trust Stanley Road Cheadle Hulme Cheadle SK8 6RQ
Phone	01616100100
Email	info@seashelltrust.org.uk
Website	www.seashelltrust.org.uk

Activities

Objects: THE ADVANCEMENT OF 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.

Activities: The charity provides high quality specialist care and education, including physical training, to children and young adults with one or more form of complex communication and learning difficulties which means that they require special provision. Royal Schools for the Deaf, Manchester (charity no 526091) gifted certain assets and its operating activities to Seashell Trust on 1 September 2008.

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Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Accommodation/housing, Amateur Sport
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- Stockport

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£26,655,000	£27,392,000	£61,741,000	667
2024-08-31	£45,297,000	£27,157,000	£62,478,000	640
2023-08-31	£27,416,000	£23,109,000	£44,338,000	586
2022-08-31	£20,283,390	£19,431,479	£40,031,000	549
2021-08-31	£37,406,000	£18,006,000	£39,179,000	563
2020-08-31	£19,110,000	£17,064,000	£19,776,000	575

Trustees

Name	Role	Appointed
Beth Holbrook		2024-07-08
Carol Povey		2019-07-15
Colin Hoggins		2022-02-07
Dr Lynn Perry		2021-07-19
Elanor Kortland		2025-02-11
Joanna Munnelly		2022-10-10
Martin Heath		2019-07-15
Neil Andrew Masom		2021-02-01
Nicola Quayle		2025-07-08
Rachel McMillan		2022-02-07
Richard Lloyd		2025-04-01

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Linked charities

- THE ROYAL SCHOOLS FOR THE DEAF MANCHESTER TRUST (1092655-1)

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SEASHELL TRUST

England & Wales - Charity number 1092655

Accounts

Seashell

Directors' Report and Financial Statements

For the year ended 31 August 2025

Seashell Trust

Registered Charity No: 1092655
Registered Company No: 04216714

Seashell Trust
Stanley Road, Cheadle Hulme, Cheshire, SK8 6RQ
Tel: 0161 610 0100
Email: info@@seashelltrust.org.uk
Web: www.seashelltrust.org.uk

Investors in Diversity Silver UK | Working Towards
AUTISM ACCREDITATION
INVESTING IN VOLUNTEERS
disability confident EMPLOYER

Chief Executive: Brandon Leigh
Chair: Chris Smale
President: Ged Mason OBE

Company no: 014216714
Registered charity no: 1092655
ICO registration no: Z1633500

SEASHELL TRUST

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

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

In addition, 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

We transform the lives of children and young adults with the most complex disabilities and their families, by providing high quality education, health and care services.

Our Charity Vision

We will be a national centre of excellence ensuring children and young adults with the most complex disabilities achieve their greatest potential.

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

CHARITY ADMINISTRATION

Directors

C Smale (1, 2, 3) (Chair)
M Heath (1*, 2*, 4) (Vice Chair)
C Hoggins (3*)
B Holbrook (1)
E Kortland (5) (appointed 11 February 2025)
R Lloyd (3) (appointed 1 April 2025)
N Masom (2, 7*)
R McMillan (6, 7)
J Munnelly (7)
L Perry (1, 4*, 5*)
N Quayle (2) (appointed 8 July 2025)
C Povey (1, 6*)
K Uus (resigned 5 September 2024)

(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
(7) Member of Health & Care Quality Committee
* Chair of relevant Board sub-committee

Executive Leadership Team (ELT)

B Leigh	Chief Executive Officer
B Boddice	Chief Financial Officer & Company Secretary
K Duggan	Chief Operating Officer
N Giles	Chief People Officer
M Travers	Chief Marketing & Fundraising Officer
B White	Director of Care & Education (Retired 31 Dec 2024)

Address and Registered Office

Stanley Road
Cheadle Hulme
Cheadle
Cheshire SK8 6RQ

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	Forvis 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 Gorvins LLP Dale House Tiviot Dale Stockport SK1 1TA
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 2025.

Leadership
As Chair, it has, once again, given me great pleasure to oversee the development of the Trust during the year and I would like to convey my thanks to CEO, Brandon Leigh, the Executive Leadership Team and all staff and colleagues across the Trust for their continued dedication to the Trust's strategic priorities, resilience in the face of challenges and constant endeavour to ensure that the Trust provides exceptional services to its beneficiaries.

The Trust's work does not stop with those who directly benefit from our services on campus. We aim to be a National Centre of Excellence for children and young adults with the most complex needs. Our National Complex Needs Survey has confirmed:

- An increase in complexity of need and number of children and young adults in England with Autism Spectrum Condition (ASC) and multi-sensory impairment (MSI)
- Specialist providers experience challenges relating to workforce and environment in meeting changing needs
- Providers are looking to increase capacity but it is unclear whether this will be sufficient to keep pace with need; and also that
- More accurate data is needed through increased adoption of health definitions and reduced reliance on SEND data

Seashell is proud to be authorised by the Department for Education to deliver a higher education course leading to a mandatory qualification for teachers of MSI (MQ MSI PGDip). Seashell is one of only two providers nationally of this specialist course, which has been developed by Seashell and which opened to students for the first time in October 2024. The course is being delivered in partnership with Liverpool John Moores University and is receiving excellent feedback from students.

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 as a result of a competitive jobs market and the cost-of-living challenge. The recruitment, retention, training and career development of staff remains a top priority for the Trust, and we continue to highlight the unique qualities of a career at Seashell.

Campus
During the year we made substantial progress towards completion of the Ged Mason Building, which will be the new home for Royal College Manchester. Once complete, in early 2026, the building's facilities will help prepare our students for a fulfilling life in the community and will match the sector-leading standard of the Moulding Foundation Building, home of Royal School Manchester, which marked its second anniversary during the year. The Ged Mason Building will also incorporate outstanding sports facilities, including a fully accessible climbing wall and will, in addition, bring the Trust's support services together under one roof for the first time, positively transforming our ways of working.

Of our £10m appeal target for the Ged Mason Building we have approximately £2m left to raise. We greatly appreciate all of the support we have received so far but continue to need as much help as possible to make this much needed facility become a reality.

We remain highly ambitious and excited about the future and will continue to plan for the ongoing development of our campus to extend our reach and increase our impact.

Registered Services inspections
Seashell has six registered services, two of which were inspected during the year:

- Royal College Manchester (Ofsted) was inspected during the year and we were delighted to receive a rating of Outstanding; and
- Children's Care service (Ofsted) – was inspected during the year and the efforts undertaken to improve the service were recognised by Ofsted. The service received a rating of Requires Improvement. Work is continuing to implement the requirements and recommendations of the Ofsted report in order to restore the service to a rating of Good.

The ratings of our other four Registered Services remain unchanged as follows: Royal School Manchester (Ofsted) – Outstanding; Health Service (CQC) – Outstanding; Young Adults home (CQC) – Good, Children Short breaks (Ofsted) - Outstanding.

Financial
In October 2024, the National Insurance and Minimum Wage elements of the government's Budget increased Seashell's costs substantially above levels of inflation from April 2025. During the year we were not fully able to recover these additional costs and, as a result, coupled with a reduction in student numbers in some services, the Trust has disappointingly returned a deficit of £1.1m on its unrestricted activities before depreciation.

To address the ongoing financial challenges faced by the Trust, the ELT has prepared a detailed 5 Year Plan during the year, supported by the Board of Trustees, which focuses on maximising the capacity of its new facilities on campus as well as improving the efficiency of the Trust's operations. The plan aims to return the Trust's financial performance to sustainable levels, enabling it to rebuild its free reserves for the future.

Chris Smale

Chair

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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 2025. 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.

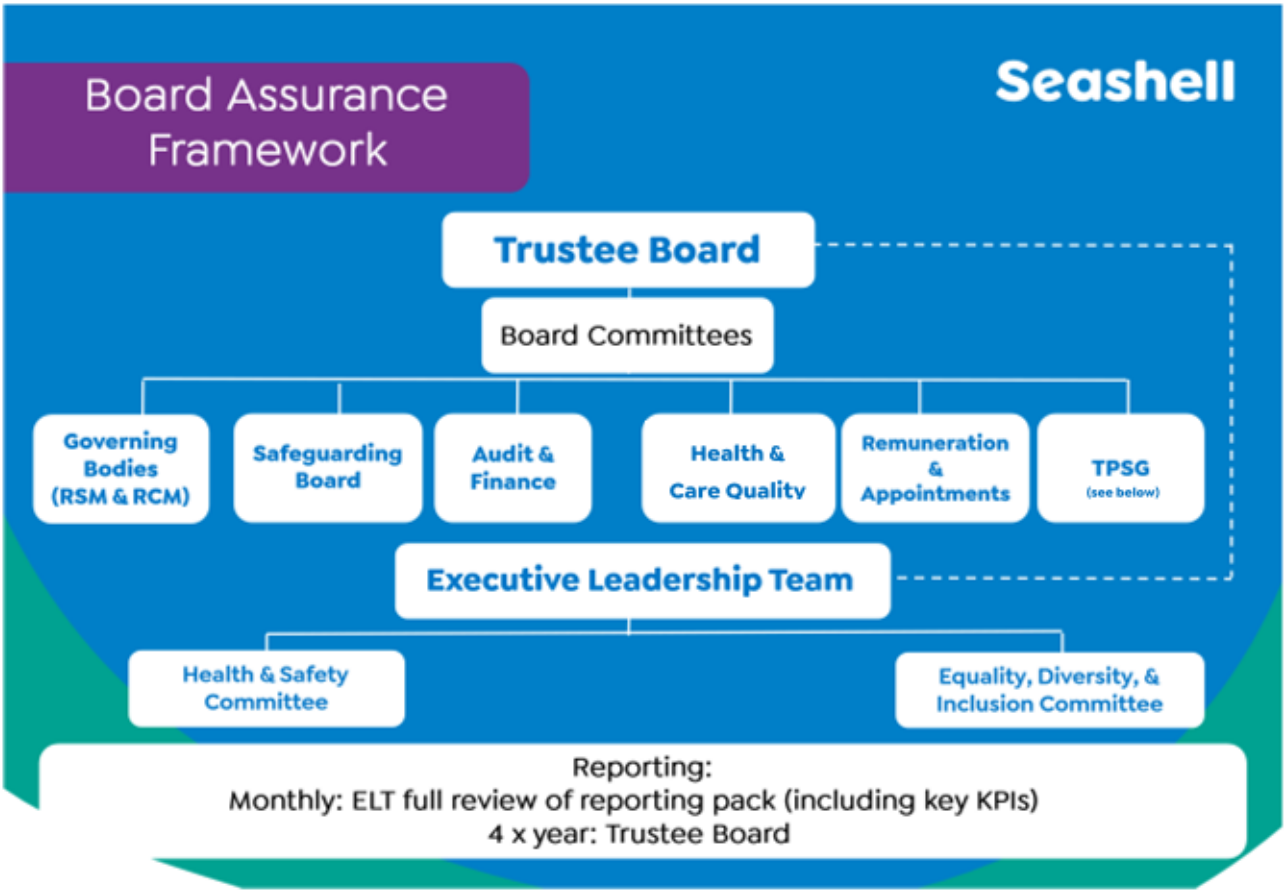
The Trust's charitable purpose is enshrined in its objects and the Directors, together with the Executive Leadership Team ("**ELT**"), review the strategy annually to ensure that it continues to support the Trust's stated aims and objectives.

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, and E Kortland, Directors, also sit on the RSM and RCM Governing Bodies (respectively).

There are five additional permanent sub-committees of the Board, chaired by a Director to oversee governance: Safeguarding; Audit & Finance; Remuneration & Appointments; Health & Care Quality 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 & 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
The ELT meets weekly. The remuneration of the CEO is agreed by the Remuneration & Appointments Committee, via the Trust's performance review process. The remuneration of other 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 two advisory sub-committees of the ELT, as summarised in the diagram above, comprising: Health & Safety; and Equality, Diversity & Inclusion.

Directors' Strategic Report

Employees and Volunteers

We employ approximately 667 full and part time salaried staff whose contribution and commitment to the Trust, its children, young adults and their families, is truly inspiring. The Trustees continue to express pride for the work of our staff teams and the outcomes they achieve for our young people.

Communication with Employees and Staff Wellbeing

A monthly feedback survey captures the employee voice through their experiences of Seashell – including employee development, management support and feeling valued and respected. All Staff meetings have been reignited for the new academic year to update on strategic priorities, key developments on site and new initiatives being promoted across Seashell. Employees also facilitate and lead on a range of staff support groups. Our wellbeing hub continues to host a bi-monthly employee drop-ins, to help promote benefits and encourage feedback over a coffee and cake. Our Trust e-newsletter and internal intranet further enable staff communication across the Trust.

Our wellbeing offer is growing in strength with established use of private healthcare for staff. This cover provides a range of health and wellbeing benefits for staff including access to physiotherapy, counselling, employee assistance on life events as well as our in-house debrief support through the Positive Behaviour Support team. Throughout the year we take opportunities to reward and recognise employee contributions with giveaways / wellbeing events / seasonal gifts which gather great feedback.

Recruitment and talent

The Trust continues to follow 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 and onboarding team are now firmly positioned as the Talent team and support recruitment to roles across all areas. Using a variety of media and methods, the Trust is attracting new employees and talent through a number of channels including direct recruitment campaigns, recruitment events, agency recruitment, social media campaigns, open recruitment days, CV search facilities and working with national partners and local partners in schools, colleges and universities. Our apprentice academy and volunteer programmes continue to deliver opportunities, with many continuing into permanent roles at the Trust.

Investment in new technology next year will give us a fresh perspective on the candidate and employee journey and we look forward to the positive changes that this brings.

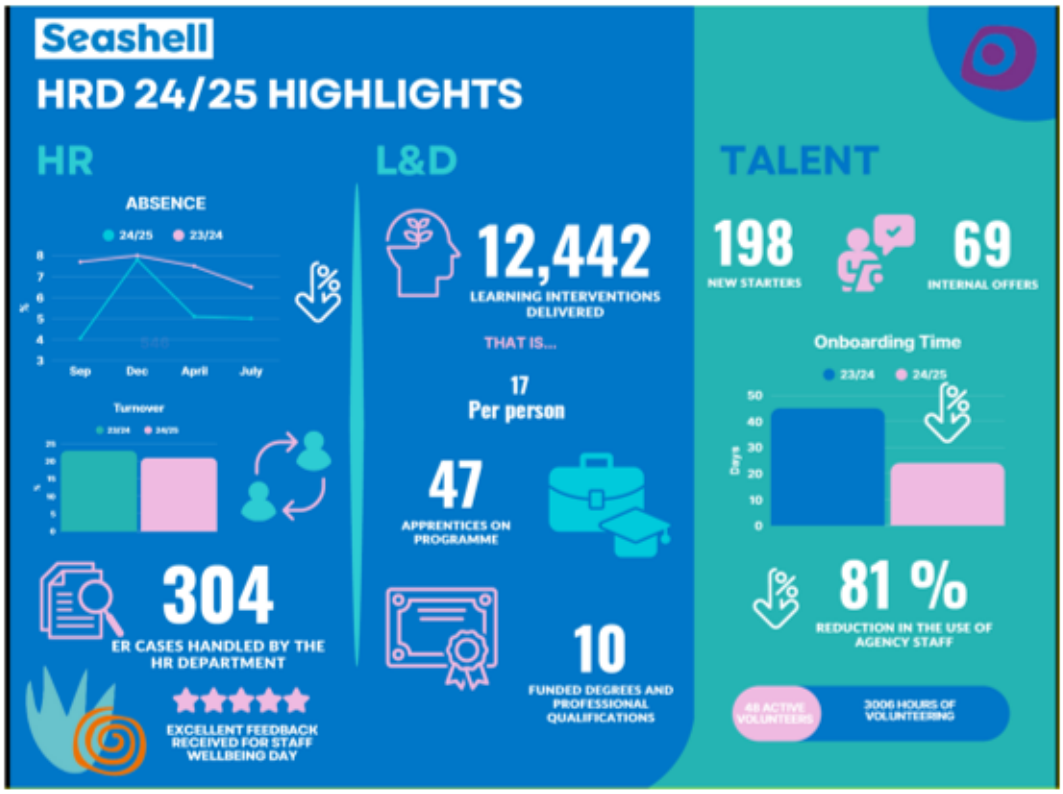
The recruitment and retention of staff remains high on the Trust's agenda, as cost of living pressures continue to create competition in the job market. Being able to attract and retain talent whilst highlighting the unique qualities of a career at the Trust, remains our top priority. Understanding our internal talent is an important step in the process. In late 2025 we have launched a programme that encourages valuable talent conversations, give us visibility on our talent and help shape development programmes that respond to colleagues' needs.

Learning and Development

The Trust provides specialist services and therefore requires similarly qualified and specialist skills amongst its staff. Continued investment in learning and development enabled the Trust to expand the skills of the Learning and Development team this year and provide a much closer business partnering experience for Managers.

A new staff member's journey starts with a robust Induction. As new technology redefines our processes we will take the opportunity to find new, blended ways of sharing knowledge and building skill. How learning is delivered at the Trust will continue to evolve as the organisation grows and adapts.

A summary of learning and development, talent and human resources delivery for the year ended 31 August 2025 is detailed in the infographic below:



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 (2023/24 none). 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; and
- 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) Regulations 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 2025.

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 2025 was 5,286 MWh (2023-24 5,274 MWh) resulting in carbon emissions of 965 tonnes of carbon dioxide (2023-24 994 tonnes). Emissions per employee are considered to be at an appropriate intensity ratio; average emissions per employee for the year were 1.45 tCO_{2e} (2023-24: 1.54 tCO_{2e}).

Energy usage (in terms of MWh) increased slightly in the year as we continued 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. For example, the new Ged Mason Building is

designed to be carbon neutral in operation and is also expected to generate surplus electricity for export to other campus buildings.

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 2025 £16.0m (2024, £5.4m) has been spent on the building work for the Ged Mason Building, the new home for Royal College Manchester building (which will include extended and enhanced sports, training and administration facilities), on which construction began in January 2024. The Ged Mason Building is expected to open in early calendar year 2026.

Project Transformation is part-funded by the sale of approximately 33 acres of the Trust's landholding to Bloor Homes. Under the terms of this agreement, the land was sold in tranches, all of which were transferred in previous years generating a net receipt of c.£36.5m.

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), borrowing and from donations arising from a capital fundraising appeal. During the year, the Trust received a further £1.7m of income from our Transforming Lives Appeal for Project Transformation.

In order to complete the Ged Mason Building, after the balance sheet date, the Trust borrowed £0.5m under a mortgage facility provided by Together Money Commercial Finance Limited. The borrowing is secured via a charge on the Trust's land and buildings.

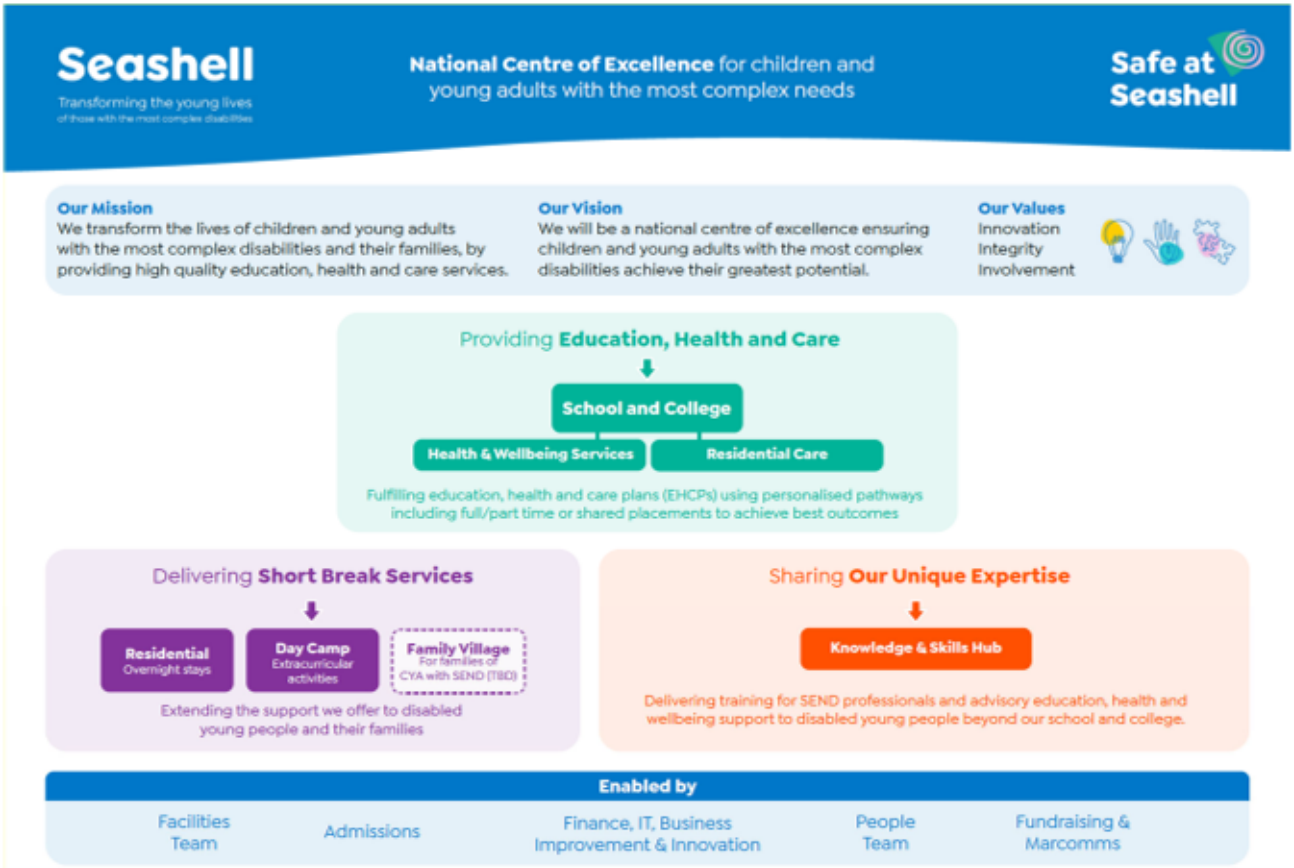
Strategic Priorities

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

1. To provide exceptional education, care, and health & wellbeing support for our children and young adults (C&YA) with safeguarding as the highest priority;
2. To promote the voice of C&YA and their families through co-production to inform the design and delivery of services and to influence national policy;
3. To achieve meaningful outcomes after Seashell through successful transitions to high quality and sustainable employment, education, and social opportunities;
4. To continue to transform our site to ensure high quality facilities for our C&YA as well as playing a valued role in the broader community;
5. To develop and share our specialist knowledge and skills nationally and internationally;
6. To be an employer of choice with a culture of continuous improvement through investment in our exceptional workforce; and
7. To ensure long-term financial security through the development of fundraising and other income generating activities.

Operational Performance in the Year

Our operating model



Our six registered services

1. Royal School Manchester. Ofsted registered. Non-maintained special school. Rating - Outstanding.
2. Royal College Manchester. Ofsted registered. Specialist post-16 institution. Rating – Outstanding.
3. Seashell Health Services. CQC registered. Treatment of disease, disorder & injury. Rating - Outstanding
4. Seashell Children's Care Services – Children's Home. Ofsted registered social care provision. Rating – Requires improvement. Work is continuing to implement the recommendations of the recent Ofsted report in order to restore the service to a rating of Good.
5. Seashell Children's Care Services – Short Breaks. Ofsted registered. Social care provision. Rating - Outstanding.
6. Seashell Young Adults Care Services. CQC registered. Care home. Rating – Good.

Our year in numbers

In total, more than 8,000 people benefited from our wide range of services and facilities during the year. This included:

- Education and Care for over 130 children and young adults with some of the most complex disabilities in the country
    - 92% of our students require one-to-one support (or greater) to access their education
    - 79% of our School students achieved their individual education plan targets for the year and 85% of students achieved 'expected' or 'better than expected' progress during their time with us

  - 93% of College students achieved their destination goals for the year and 32% of students reduced their need for support per week as they became more independent
- Fully inclusive sports, activities and facilities accessed by over 2,600 children and adults from the community
- Seashell welcomed 566 parent carers and families to our events and workshops this year, creating a stronger, more informed and connected community through meaningful participation
- Training and support to almost 250 organisations and more than 400 professionals to enable them to become more supportive and inclusive

Organisational culture and workforce management
Attracting and retaining appropriately qualified staff continues to be the key priority for 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.

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

	2025	2024
Royal School Manchester **	67	62
Royal College Manchester **	66	70
Children's Residential Care Services	9	11
Young Adult Residential Care Services	22	30

** at the end of the summer term

Student numbers in school at the end of the year overall were slightly higher than 2024 levels. Student numbers in the other services were lower than in 2024. 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 also expected to increase over time. College student numbers are already at levels close to capacity (c.70 students), although the new home for Royal College Manchester, the Ged Mason Building, may provide a potential opportunity for growth once it opens in 2026.

Financial Review

Income
The unrestricted income for the year ended 31 August 2025 and previous year is summarised in the table below:

	2025 £'000	2024 £'000	Change £'000
Donations and legacies	761	1,180	(419)
Charitable activities	22,707	23,831	(1,124)
Other trading activities	573	258	315
Interest income	250	160	90
Total Unrestricted Income	**24,291**	**25,429**	**(1,138)**

Total income from unrestricted funds reduced by £1,138,000. This was largely due to reduced student numbers in the year. Student numbers for 25/26 have started positively with an increase from 133 to 141.

Restricted income in the year was £2,363,000, as compared with £5,904,000 in the year ended 31 August 2024, which included some large, one-off donations towards the in-progress Ged Mason Building (new home for Royal College Manchester) as part of Project Transformation and the Transforming Lives Appeal. In 2025 we recognised £0.9m of accrued income (£3.2m in 2024) for donations committed.

Expenditure
Total unrestricted expenditure increased by £83,000 to £26,852,000 partly due to the increased wages costs due to government changes to national insurance and national minimum wage impacting our charitable expenditure. This increase was partly offset by some input VAT recovery following the change in VAT status of Royal School Manchester (which was captured by the government's newly introduced VAT on private schools policy).

Unrestricted funds net deficit
The net deficit on unrestricted funds for the year was £2,561,000, an increase on the £1,340,000 deficit recorded in 2023-24. This reflects the reduction in unrestricted income in the year not being offset by a corresponding decrease in expenditure.

The Trust aims to record a small financial surplus, before depreciation charges, each year and in the year reported a deficit before depreciation on unrestricted funds of £1,078,000 (2023-24 surplus of £129,000).

Endowment Fund
There was no endowment income during the year. The endowment income of £13,965,000 recorded in 2023-24 represented the net profit arising on the disposal of the final 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 reduced by £737,000 in the year to £61,741,000 as at 31 August 2025, compared with £62,478,000 at 31 August 2024. This decrease in net assets is primarily due to the deficit on unrestricted activities, partly offset by restricted donations for Project Transformation.

Reserves
The reserves policy states that target free reserves (i.e. unrestricted, undesignated reserves (excluding fixed assets)) are assessed annually. The current target level of free reserves is £4.2 million. In recognition of the fact that the risks, opportunities, external factors and strategic initiatives that are relevant to the Trust ebb and flow over time, the assessed level of free reserves will similarly fluctuate. As a result, the Trust's policy is for its actual holding of free reserves in the short to medium term to be within a range of 50-150% of its target free reserves amount (i.e. the current target free reserves range is £2.1 million to £6.3 million).

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 2025 is £1,336,000 (2024: £2,587,000), held in the form of current assets, which are available for use by the charity, resulting in a gap to the lower end of the range of target free reserves stated in the reserves policy.

To address the ongoing financial challenges faced by the Trust and to align the gap between actual free reserves and target free reserves, the ELT has prepared a detailed 5 Year Plan during the year, supported by the Board of Trustees, which focuses on maximising the capacity of its new facilities on campus as well as improving the efficiency of the Trust's operations. The plan aims to return the Trust's financial performance to sustainable levels, enabling it to rebuild its free reserves for the future.

Restricted funds are funds subject to specific requirements specified by the donor at the time of grant and their total value at 31 August 2025 was £1,744,000 (2024: £3,556,000).

Other Funds - Permanent Endowment – this is property, including land, which the Directors may not spend as if it were income. As at 31 August 2025 the value of endowment reserves was £58,416,000 (2024: £56,098,000).

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.

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) as well as broadening our recruitment channels for certain roles. 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.

During the year, in October 2024, the National Insurance and Minimum Wage elements of the government's Budget increased Seashell's costs substantially above levels of inflation from April 2025. During the year we were not fully able to recover these additional costs and, as a result, and coupled with a reduction in student numbers in some services, the Trust has disappointingly returned a deficit of £1.1m on its unrestricted activities before depreciation. As described above, the Trust has now put in place a detailed five-year plan, which focusses on maximising the capacity of its new facilities and which will enable the Trust to rebuild its reserves over the coming years.

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
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.	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: • We have a dedicated Safeguarding Board, including external, independent representation; • We have a Trust-wide role of Safeguarding Officer; • The Trust has a well-established safeguarding policy, practices and reporting systems which are reviewed continually; • Progressive and developmental safeguarding training and development for all staff; • Liaison with External Safeguarding bodies for best practice initiatives and monitoring; • Procuring appropriate levels of insurance cover to mitigate against any financial risk that the Trust could be exposed to in the event of any allegations or claims; • External reviews of our safeguarding practices and procedures, and • Obtaining expert legal advice and counsel where considered appropriate.
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.	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. In recent years, 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. 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.

Key Risk	How this risk is managed
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.	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: • Extended the number and scope of our management training programmes; • Conducted the Job Evaluation Review, including a revised benchmarking exercise whereby salaries are compared with external data; • Streamlined recruitment processes and actions to increase the effectiveness of recruitment activity and added extra resource to the recruitment team; • Implemented a targeted uplift in base pay across the Trust effective September 2024; and • Continuation of recruitment activities beyond the required staffing complement for key roles in order to create a staffing "buffer" to mitigate the impact of staff absences and resignations.
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.	Project Transformation is now firmly in its implementation stage with construction of the Ged Mason Building, the new home to RCM and shared facilities started and due to open in 2026. The Directors closely monitor the progress of the various elements of the project at each Board Meeting. 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. 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.
As a result of a potential breach in cyber security the Trust could become exposed to a prolonged period of IT disruption which significantly affects delivery of its services and / or results in the loss of a large amount of sensitive data.	The Trust ensures its physical infrastructure is updated regularly and reflects best practice. The Trust ensures its suite of systems and software, including malware and cyber-attack protection are of a high standard, updated regularly and tested for vulnerability. The Trust has robust policies and procedures including those governing all users. Seashell is Cyber Essentials and NHS Toolkit accredited. The Trust incorporates IT training and data governance in its induction and ongoing training programme.
Financial factors outside of the Trust's control result in Trust's five-year plan being adversely affected and free reserves remaining below 50% of target	The Trust and ELT monitors all elements of the five-year plan, including financial performance against the plan's detailed assumptions on a frequent basis and corrects course as appropriate.

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 2025 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.

(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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The Directors confirm that:

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

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

Approved by the Board and signed on its behalf by:

C. L. Smale

C Smale
Chair

03 February 2026

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Seashell Trust (the 'charity') for the year ended 31 August 2025 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 2025 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 trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the 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 included within the trustees' 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: The Charities Act 2011, the Charities Statement of Recommended Practice.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the 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 tax legislation, pension legislation, the Charities Act 2011, the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' 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, income recognition (which we pinpointed to the cut-off assertion), restrictions over the use of funds, recognition of transactions in respect of the assets under construction, depreciation of fixed assets and significant one-off or unusual transactions.

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

- Making enquiries of the trustees 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. 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 (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester
M2 3DE

11/02/2026

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 August 2025

	Note	Un-Restricted Funds £'000	Restricted Funds £'000	Endow-ment Funds £'000	2025 Total £'000	2024 Total £'000
INCOME FROM:						
Donations and legacies		761	1,688	-	2,449	6,712
Charitable activities		22,707	675	-	23,382	24,202
Other trading activities		573	-	-	573	258
Investments		250	-	-	250	160
Other income – profit on disposal of endowment land		-	-	-	-	13,965
Total Income		24,291	2,363	-	26,654	45,297
EXPENDITURE ON:						
Raising funds		(675)	-	-	(675)	(665)
Charitable activities		(26,020)	(441)	-	(26,461)	(26,248)
Other		(157)	-	(98)	(255)	(244)
Total Expenditure	**3**	(26,852)	(441)	(98)	(27,391)	(27,157)
Net (expenditure)/ income	**4**	(2,561)	1,922	(98)	(737)	18,140
Transfers between funds		1,318	(3,734)	2,416	-	-
Net movement in funds		(1,243)	(1,812)	2,318	(737)	18,140
Balances brought forward		2,824	3,556	56,098	62,478	44,338
Balances carried forward		1,581	1,744	58,416	61,741	62,478

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.

BALANCE SHEET
As at 31 August 2025

COMPANY NUMBER: 04216714

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible fixed assets	**6**	57,779	43,122
		57,779	43,122
Current assets			
Debtors: amounts falling due within one year	**7**	4,443	11,612
Cash at bank and in hand		3,500	9,885
		7,943	21,497
Creditors: amounts falling due within one year	**9**	(4,421)	(4,003)
Net current assets		3,522	17,494
Debtors: amounts falling due after more than one year	**8**	440	1,862
Total assets less current liabilities and net assets	**10**	61,741	62,478
Endowment funds	**11**	58,416	56,098
Restricted funds	**12**	1,744	3,556
Unrestricted funds			
Unrestricted funds	**13**	1,581	2,824
Total funds		61,741	62,478

Approved on behalf of the Directors

C. L. Smale

C Smale
Chair

03 February 2026

STATEMENT OF CASH FLOWS
For the year ended 31 August 2025

	2025 £'000	2024 £'000
Cash flow from operating activities		
Net income	(737)	18,140
Depreciation	1,483	1,469
Interest income	(250)	(160)
Loss/(gain) on sale of fixed assets	98	(13,965)
(Increase)/decrease in debtors	8,549	(11,454)
Increase/(decrease) in creditors	(82)	871
Net cash inflow/(outflow) from operating activities	9,061	(5,099)
Cashflows from investing activities		
Purchase of buildings and other fixed assets	(15,638)	(5,996)
(Expenditure)/proceeds on sale of fixed assets	(98)	14,541
Bank interest received	290	141
	(15,446)	8,686
Net (decrease)/increase in cash before financing	(6,385)	3,587
Net (decrease)/increase in cash & cash equivalents	(6,385)	3,587
Cash at bank and in hand		
Balance at beginning of year	9,885	6,298
Balance at end of year	3,500	9,885
(Decrease)/increase in cash in the year	(6,385)	3,587

STATEMENT OF CASH FLOWS
For the year ended 31 August 2025

	2025 £'000	2024 £'000
Reconciliation of net cash flow to movements in net funds		
(Decrease)/increase in cash in the year	(6,385)	3,587
Movement in net funds in the year	(6,385)	3,587
Balance at beginning of year	9,885	6,298
Net funds at end of year	3,500	9,885
Analysis of net funds		
Cash at bank and in hand	3,500	9,885
Total	3,500	9,885

Analysis of net funds

	As at 1 September 2024 £'000	Decrease in cash in the year £'000	As at 31 August 2025 £'000
Cash at bank and in hand	9,885	(6,385)	3,500
Total	9,885	(6,385)	3,500

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

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 some irrecoverable VAT.
- Costs of raising funds comprise costs associated with raising income from donations and legacies.
- Charitable activity expenditure is made up of those costs incurred by the charity in the delivery of its activities and services. It includes both directly attributable costs and those which are not directly attributable. Such support costs are apportioned to the relevant activity on varying bases, but principally on the basis of the number of staff each activity has within it.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

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 9.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

2. Analysis of Prior Year Statement of Financial Activities

	Note	Un-Restricted Funds £'000	Restricted Funds £'000	Endow-ment Funds £'000	2024 Total £'000
INCOME FROM:					
Donations and legacies		1,180	5,532	-	6,712
Charitable activities		23,831	372	-	24,202
Other trading activities		258	-	-	258
Interest		160	-	-	160
Other income – profit on disposal of endowment land	4	-	-	13,965	13,965
Total Income		25,429	5,904	13,965	45,297
EXPENDITURE ON:					
Raising funds		(665)	-	-	(665)
Charitable activities		(25,860)	(388)	-	(26,248)
Other		(244)	-	-	(244)
Total Expenditure		(26,769)	(388)	-	(27,157)
Net gains on investments		-	-	-	-
Net (expenditure)/ income	**4**	(1,340)	5,516	13,965	18,140
Transfers between funds		1,051	(2,313)	1,262	-
Net movement in funds		(290)	3,203	15,227	18,140
Balances brought forward		3,114	353	40,871	44,338
Balances carried forward		2,824	3,556	56,098	62,478

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

3. ANALYSIS OF EXPENDITURE

(a) Analysis of total expenditure:

	Staff costs £'000	Support costs £'000	Other direct costs £'000	2025 Total £'000	2024 Total £'000
Unrestricted funds					
Expenditure on raising funds	468	155	51	675	665
Expenditure on Charitable activities	19,816	3,107	3,097	26,020	25,860
Other expenditure	-	-	157	157	244
Total unrestricted expenditure	20,284	3,262	3,305	26,852	26,769
Restricted funds					
Charitable activities	264	-	177	441	388
Total restricted expenditure	264	-	178	441	388
Endowment funds					
Other expenditure	-	-	98	98	-
Total endowment expenditure	-	-	98	98	-
Total expenditure	20,548	3,262	3,581	27,391	27,157

(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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

4. NET INCOME / EXPENDITURE

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

	2025 £'000	2024 £'000
Auditors' remuneration – audit services	27	25
Depreciation	1,483	1,469
Profit on disposal of endowment land	-	(13,965)

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 allowed 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 2024, the conditions attaching to the final tranches of the land sale were satisfied. This resulted in the legal transfer of approximately 11 acres of land to Bloor Homes Limited. The consideration in respect of this land transfer was £14.5m.

In previous years, the Trust had incurred £1.9m 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 were capitalised within assets under construction and are being expensed to the Statement of Financial Activities in line with the proportion of land that is sold. Accordingly, the final capitalised amount of £0.6m 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 2024 and all £1.9m has now been expensed.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

5. EMPLOYMENT COSTS

	2025 £'000	2024 £'000
Wages and salaries	17,735	16,671
Social security costs	1,787	1,432
Pension contributions	1,026	875
	20,548	18,978

The average monthly number of employees in the year was 667 (2024: 640), of which, 37 were qualified teachers and 50 were bank staff (2024: 37 and 45 respectively) without specified contractual hours. As at 31 August 2025, the total number of employees was 726 (2024: 734).

Neither the Directors nor persons connected with them received any remuneration or other benefits. The sum of £1,375 (2024: £475) was reimbursed for travel expenses incurred by two (2024: two) Directors during the year.

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

	2025 Number	2024 Number
£60,001 - £70,000	5	8
£70,001 - £80,000	3	1
£80,001 - £90,000	3	3
£90,001 - £100,000	2	2
£100,001 - £110,000	1	-
£120,001 - £130,000	-	1
£150,001 - £160,000	1	-
£190,001 - £200,000	1	1

The amount of pension contributions paid into the Pension Scheme for these individuals amounted to £129,000 (2024: £113,000).

The key management personnel are 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 £864,000 (2024: £776,000).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

6. FIXED ASSETS

	Freehold land & buildings £'000	Sports facilities £'000	Motor vehicles £'000	Fixtures & equipment £'000	Assets under Construction £'000	Total £'000
Cost						
At 1 September 2024	35,715	2,071	337	1,869	10,366	50,358
Additions	18	-	49	107	15,965	16,140
Disposals	-	-	(56)	-	-	(56)
Transfers	2,142	-	-	-	(2,142)	-
At 31 August 2025	37,874	2,071	331	1,976	24,189	66,442
Depreciation						
At 1 September 2024	4,535	734	319	1,648	-	7,236
Charge for the year	1,207	126	23	127	-	1,483
Disposals	-	-	(56)	-	-	(56)
At 31 August 2025	5,742	860	286	1,776	-	8,663
Net book value						
At 31 August 2024	31,180	1,338	18	220	10,366	43,122
At 31 August 2025	32,133	1,212	45	200	24,189	57,779

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

7. DEBTORS: amounts falling due within one year

	2025 £'000	2024 £'000
Fees	2,757	3,626
Accrued income	857	7,170
Other debtors and prepayments	829	817
	4,443	11,612

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

8. DEBTORS: amounts falling due after more than one year

	2025 £'000	2024 £'000
Accrued income	440	1,862
	440	1,862

Accrued income is in respect of Transforming Lives Appeal donations.

9. CREDITORS: amounts falling due within one year

	2025 £'000	2024 £'000
Trade creditors	372	343
Taxation and Social Security	419	363
Deferred income	925	1,071
Other creditors and accruals	2,705	2,226
	4,421	4,003

Deferred income:	2025 £'000	2024 £'000
Balance at 1 September	1,071	233
Amount released to income	(1,071)	(233)
Amount deferred in year	925	1,071
Balance at 31 August	925	1,071

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

10. ALLOCATION OF THE CHARITY'S NET ASSETS

As at 31 August 2025	Tangible fixed assets £'000	Net other assets £'000	Total £'000
Endowment funds	57,534	882	58,416
Restricted funds	-	1,744	1,744
Unrestricted funds	245	1,336	1,581
Total net assets	57,779	3,962	61,741

As at 31 August 2024	Tangible fixed assets £'000	Net other assets £'000	Total £'000
Endowment funds	42,884	13,214	56,098
Restricted funds	-	3,556	3,556
Unrestricted funds	238	2,586	2,824
Total net assets	43,122	19,356	62,478

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

11. ENDOWMENT FUNDS

	Balance at 1 September 2024	Income	Expense	Transfers	Balance at 31 August 2025
	£'000	£'000	£'000	£'000	£'000
Royal Schools for the Deaf Endowment	56,098	-	(98)	2,416	58,416
	56,098	-	(98)	2,416	58,416

	Balance at 31 August 2023 £'000	Income £'000	Expense £'000	Transfers £'000	Balance at 31 August 2024 £'000
Royal Schools for the Deaf Endowment	40,871	13,965	-	1,262	56,098
	40,871	13,965	-	1,262	56,098

Royal Schools for the Deaf Endowment
In accordance with the Charity Commission's view that the land and buildings are presumed to be endowed unless evidence exists to the contrary, £2.4m 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

12. RESTRICTED FUNDS

	At 1 September 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 August 2025 £'000
Transforming Lives Appeal Phase 2	3,351	1,688	-	(3,734)	1,305
Sundry Funds	205	675	(441)	-	439
	3,556	2,363	(441)	(3,734)	1,744

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 £3.7m of Transforming Lives Appeal Phase 2 funds has been transferred to Endowment Funds relating to the costs of Project Transformation.

	At 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 August 2024 £'000
Transforming Lives Appeal Phase 2	132	5,532	-	(2,313)	3,351
Sundry Funds	221	372	(388)	-	205
	353	5,904	(388)	(2,313)	3,556

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2025

13. UNRESTRICTED FUNDS

	Balance at 1 September 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2025 £'000
Unrestricted funds	2,824	24,291	(26,852)	1,318	1,581
	2,824	24,291	(26,852)	1,318	1,581

	Balance at 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2024 £'000
Designated					
Strategy Development	98	-	-	(98)	-
Unrestricted funds	3,016	25,429	(26,769)	1,149	2,824
	3,114	25,429	(26,769)	1,051	2,824

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). During the year 2023-24, £98k was transferred to Endowment funds to reflect site investments made during that 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 £1,318,000 primarily represents the allocation of the depreciation charge relating to endowed assets to the Endowment Fund.

14. OTHER FINANCIAL COMMITMENTS

At 31 August 2025, total commitments under non-cancellable operating leases are as follows:

	Other	
Amounts payable within	2025	2024
	£'000	£'000
Less than 1 year	-	5

15. CAPITAL COMMITMENTS

Amounts contracted for but not provided for in the financial statements amounted to £3.4m (2024: £18.8m) 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 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023. The valuation report was published by the Department for Education on 26 October 2023. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

16. PENSION COMMITMENTS (continued)

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

- employer contribution rates were set at 28.68% of pensionable pay (including a 0.08% levy for administration), an increase from the previous rate of 23.68%;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262.0 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222.2 billion, giving a notional past service deficit of £39.8 billion;
- an employer cost cap of 8.1% of pensionable pay will be applied to future valuations;
- the assumed real rate of GDP growth is 1.7% p.a. in excess of CPI.

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 £459,000 (2023-24: £382,000). Contributions payable to the scheme at the year-end amounted to £47,000 (2024: £49,000).

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 £579,000 (2023-24: £518,000). Contributions payable to the scheme at the year-end amounted to £98,000 (2024: £96,000).

17. RELATED PARTY TRANSACTIONS

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

18. POST BALANCE SHEET EVENTS

In order to complete the Ged Mason Building, after the balance sheet date, the Trust borrowed £0.5m under a mortgage facility provided by Together Money Commercial Finance Limited. The borrowing is secured via a charge on the Trust's land and buildings.

SEASHELL TRUST

England & Wales - Charity number 1092655

Accounts

Seashell

Directors' Report and Financial Statements

For the year ended 31 August 2024

Seashell Trust

Registered Charity No: 1092655
Registered Company No: 04216714

Seashell Trust
Stanley Road, Cheadle Hulme, Cheshire, SK8 6RQ
Tel: 0161 610 0100
Email: info@@seashelltrust.org.uk
Web: www.seashelltrust.org.uk

Investors in Diversity Silver UK | Working Towards
AUTISM ACCREDITATION
INVESTING IN VOLUNTEERS
disability confident EMPLOYER

Chief Executive: Brandon Leigh
Chair: Chris Smale
President: Ged Mason OBE

Company no: 014216714
Registered charity no: 1092655
ICO registration no: Z1633500

SEASHELL TRUST

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

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

In addition, 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

CHARITY ADMINISTRATION

Directors

S Gillingham (resigned 3 June 2024)
M Heath (2*, 4) (Vice Chair)
C Hoggins (3*)
N Masom (2)
R McMillan (1, 6)
J Munnelly
L Perry (4*, 5*)
C Povey (1, 6*, 7*)
C Smale (1*, 2, 3) (Chair)
K Uus (resigned 10 September 2024)
T Wilkins (resigned 19 June 2024)
B Holbrook (appointed 29 August 2024)

(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
(7) Member of Post Ofsted Governance Group
* Chair of relevant Board sub-committee

Executive Leadership Team

B Leigh	Chief Executive Officer
B Boddice	Chief Financial Officer
K Duggan	Chief Operating Officer
N Giles	Chief People Officer
M Travers	Chief Marketing & Fundraising Officer
B White	Director of Care & Education (retired 31 December 2024)

Address and Registered Office

Stanley Road
Cheadle Hulme
Cheadle
Cheshire SK8 6RQ

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	Forvis 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 Gorvins LLP Dale House Tiviot Dale Stockport SK1 1TA
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 2024.

Leadership

As Chair, it has given me great pleasure to oversee the development of the Trust during the year and I would like to convey my thanks to CEO, Brandon Leigh, the Executive Leadership Team and all staff and colleagues across the Trust for their year-round dedication to developing and delivering the Trust's strategic priorities, rising to challenges and striving to ensure that the Trust provides exceptional services to its beneficiaries.

In total, more than 8,000 people benefited from our wide range of services and facilities in the year but our work does not stop there. We are committed to a better understanding of the complex needs population and are working with specialist organisations and condition specific charities to capture data that will help with the planning of future provision. Our National Complex Needs Survey has already demonstrated that organisations like ours have seen significant changes to their cohort of learners in the last five years.

Seashell is proud to have been awarded a contract from the Department for Education to develop and deliver a higher education course leading to a mandatory qualification for teachers of multi-sensory impairment (MQ MSI PGDip). Seashell is one of only two providers nationally of this specialist course, which opened to students for the first time in October 2024. The course is being delivered in partnership with Liverpool John Moores University.

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 as a result of a competitive jobs market. The recruitment and retention of staff remains a top priority for the Trust, and we have enhanced our Talent team to improve our ability to attract and retain staff by highlighting the unique qualities of a career at Seashell.

Campus

This year we celebrated the first anniversary of the Moulding Foundation Building, a new environment for Royal School Manchester students. The facilities within the building such as light, sound and temperature controls have enabled staff to design and put into practice a positive behaviour support programme that has seen an overall decrease of incidents within the classroom for the whole school cohort.

We also launched the next phase of our Transforming Lives Appeal to build a new home for Royal College Manchester - the Ged Mason Building, with facilities that will help prepare our students for a fulfilling life in the community and which will match the sector-leading standard of the Moulding Foundation Building. Of our £10m target we have £2.5m left to raise. We greatly appreciate all of the support we have received so far but continue to need as much help as possible to make this much needed facility become a reality.

We remain highly ambitious and excited about the future and will continue to plan for the ongoing development of our campus to extend our reach and increase our impact.

Registered Services inspections

Seashell has six registered services, two of which were inspected during the year and one of which was inspected after the year had ended:

- Children's Care service (Ofsted) – we were extremely disappointed to learn that, due to various challenges, a rating of Inadequate had been given to our Children's Care Service. Work is underway to implement the requirements and recommendations of the Ofsted report in order to restore the service to its previous rating of Good.
- Children's Short-breaks service (Ofsted) – we were delighted to receive a rating of Outstanding
- Royal College Manchester (Ofsted) was inspected after the year had ended and we were delighted to receive a rating of Outstanding.

The ratings of our other three Registered Services remain unchanged as follows: Royal School Manchester (Ofsted) – Outstanding; Health Service (CQC) – Outstanding; Young Adults home (CQC) – Good.

Financial

The extremely challenging economic conditions experienced in the year ended 31 August 2023 improved over the course of this financial year. Levels of inflation remained high at the beginning of the year but returned to a more sustainable position as the year went on, finishing in August in line with the government's target of 2%. This eased cost pressures to some extent during the year and the Trust has returned a small surplus on its unrestricted activities before depreciation.

After the year end, in October 2024, the National Insurance and Minimum Wage elements of the Budget delivered by the new Labour government will increase Seashell's costs substantially above current levels of inflation from April 2025. The ELT is therefore working through plans to limit the extent to which we need to pass on these additional costs as far as possible, in order to ensure that the Trust remains financially sound into the future.

Chris Smale

Chair

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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 2024. 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.

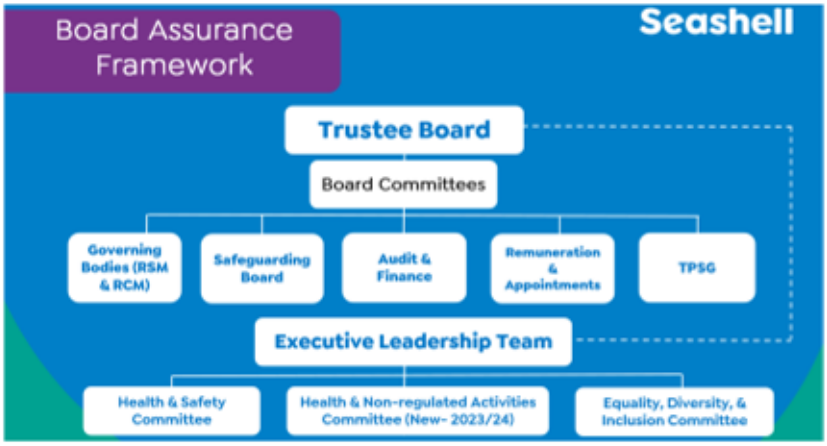
The Trust's charitable purpose is enshrined in its objects and the Directors, together with the Executive Leadership Team ("**ELT**"), review the strategy annually to ensure that it continues to support the Trust's stated aims and objectives.

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 permanent 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 690 full and part time salaried 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 e-newsletter and internal intranet further enable staff communication across the Trust.

The Trust has continued to develop its staff engagement and wellbeing offer across the year, with the introduction of private healthcare for staff. This cover provides a range of health and wellbeing benefits for staff including access to physiotherapy, counselling, employee assistance on life events as well as our in-house debrief support through the Positive Behaviour Support team.

Recruitment
The Trust continues to follow 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 Trust continues to work towards the recruitment of additional staff across all areas. The recruitment and onboarding team have been enhanced and rebranded as the Talent team. Using a variety of media and methods, the Trust are attracting new employees through a number of channels including direct recruitment campaigns, recruitment events, agency recruitment, social media campaigns, open recruitment days, CV search facilities and working with national partners and local partners in schools, colleges and universities. Ongoing modifications to the onboarding process, including the use of digital checks this year, continues to enhance the experience of new starters to the Trust.

The recruitment and retention of staff remains high on the Trust's agenda, as cost pressures continue to create competition in the job market. Being able to attract and retain talent whilst highlighting the unique qualities of a career at the Trust, remains our top priority.

Learning and Development
The Trust provides 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, bank colleagues, 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

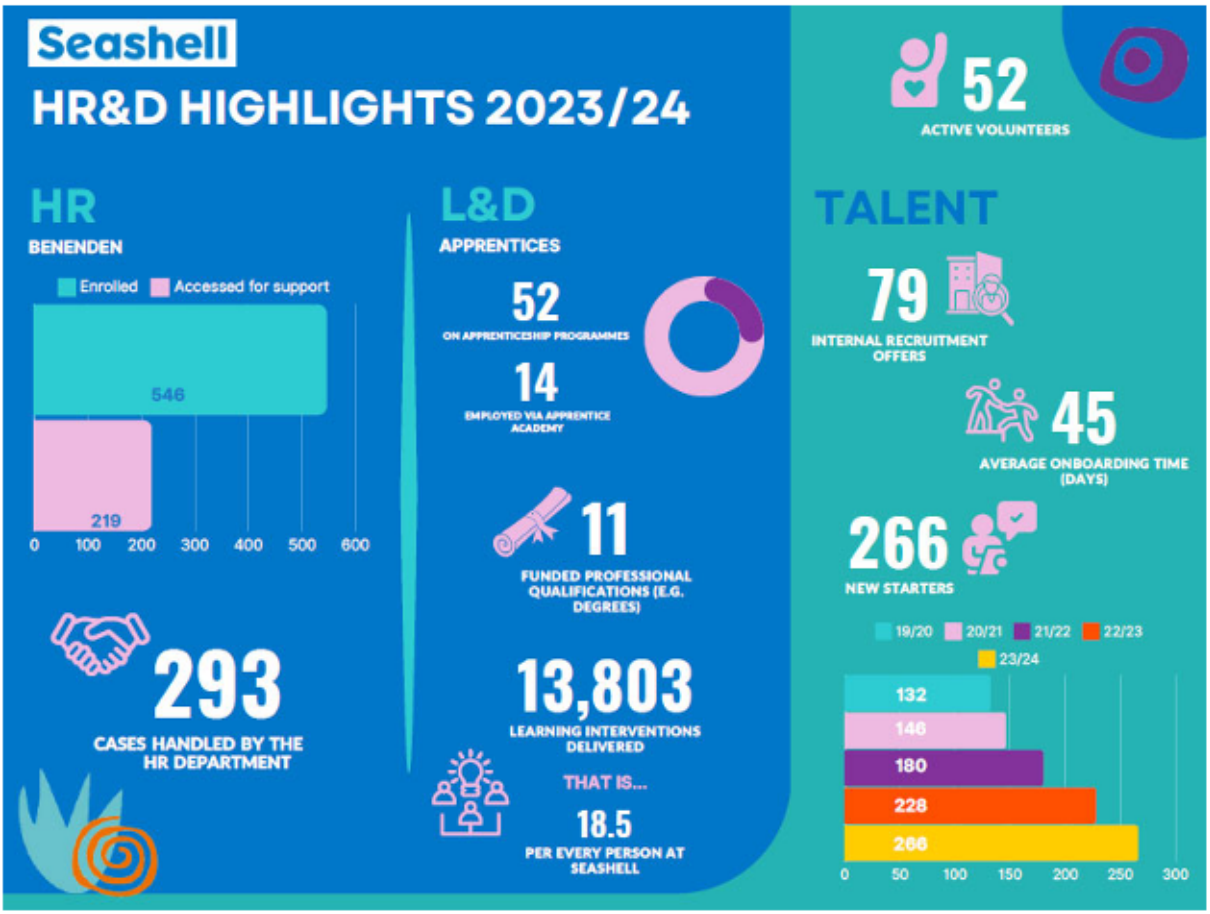
by external employers. The academy will continue to grow in the coming year and is another invested pipeline to deliver a highly skilled workforce to the Trust and wider sector.

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 continues to be refreshed and reviewed to enhance the volunteer experience and 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 611 Corporate volunteers this year, from 44 different organisations, who have supported an impressive 3,707 hours through one-off activities such as those described above.

A summary of learning and development, talent and human resources delivery for the year ended 31 August 2024 is detailed in the infographic below:



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; and
- 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) Regulations 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 2024.

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 2024 was 5,274 MWh (2022-23 5,629) resulting in carbon emissions of 994 tonnes of carbon dioxide (2022-23 1,051 tonnes). Emissions per employee are considered to be at an appropriate intensity ratio; average emissions per employee for the year were 1.54 tCO_{2e} (2022-23: 1.79 tCO_{2e}).

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 2024, £5.4m has been spent on the building work for the Ged Mason building, the new home for Royal College Manchester building (which will include extended

and enhanced sports, training and administration facilities), on which construction began in January 2024. The Ged Mason building is expected to open in early calendar year 2026.

Project Transformation is part-funded by the sale of approximately 33 acres of the Trust's landholding to Bloor Homes. Under the terms of this agreement, the land was sold in tranches, 24 acres of which were transferred in previous years generating a net receipt of c.£22m. The final 9 acres were transferred during the year for consideration of c.£14.5m.

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 £5.5m of income from our Transforming Lives Appeal for Project Transformation.

Strategic Priorities

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

1. To provide exceptional education, care, and health & wellbeing support for our children and young adults (C&YA) with safeguarding as the highest priority;
2. To promote the voice of C&YA and their families through co-production to inform the design and delivery of services and to influence national policy;
3. To achieve meaningful outcomes after Seashell through successful transitions to high quality and sustainable employment, education, and social opportunities;
4. To continue to transform our site to ensure high quality facilities for our C&YA as well as playing a valued role in the broader community;
5. To develop and share our specialist knowledge and skills nationally and internationally;
6. To be an employer of choice with a culture of continuous improvement through investment in our exceptional workforce; and
7. To ensure long-term financial security through the development of fundraising and other income generating activities.

Operational Performance in the Year

Our operating model



Our six registered services

1. Royal School Manchester. Ofsted registered. Non-maintained special school. Rating - Outstanding.
2. Royal College Manchester. Ofsted registered. Specialist post-16 institution. Rating – Outstanding.
3. Seashell Health Services. CQC registered. Treatment of disease, disorder & injury. Rating - Outstanding
4. Seashell Children's Care Services – Children's Home. Ofsted registered social care provision. Rating - Inadequate. Work is underway to implement the requirements and recommendations of the recent Ofsted report in order to restore the service to its previous rating of Good.
5. Seashell Children's Care Services – Short Breaks. Ofsted registered. Social care provision. Rating - Outstanding.
6. Seashell Young Adults Care Services. CQC registered. Care home. Rating – Good.

Our year in numbers

In total, more than 8,000 people benefited from our wide range of services and facilities during the year. This included:

- Education and Care for over 130 children and young adults with some of the most complex disabilities in the country
    - 92% of our students require one-to-one support (or greater) to access their education
    - 88% of our School students achieved their individual education plan targets for the year and 88% of students achieved 'expected' or 'better than expected' progress during their time with us
    - 98% of College students achieved their destination goals for the year and 36% of students reduced their need for support per week as they became more independent
- Fully inclusive sports, activities and facilities accessed by over 2,600 children and adults from the community
- Information, advice and training to over 300 families, to help them support their child with special educational needs and disabilities (SEND)
- Training and support to almost 200 organisations and more than 300 professionals to enable them to become more supportive and inclusive

Organisational culture and workforce management

Attracting and retaining appropriately qualified staff continues to be the key priority for 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.

Student Numbers

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

	2024	2023
Royal School Manchester **	62	59
Royal College Manchester **	70	68
Children's Residential Care Services	11	13
Young Adult Residential Care Services	30	28

** at the end of the summer term

Student numbers in school and college at the end of the year were slightly higher than 2023 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 over time.

College student numbers are already at levels close to capacity (c.70 students), although the new home for Royal College Manchester, the Ged Mason Building, may provide a potential opportunity to expand once it opens in 2026.

Financial Review

Income
The unrestricted income for the year ended 31 August 2024 and previous year is summarised in the table below:

	2024 £'000	2023 £'000	Change £'000
Donations and legacies	1,180	840	340
Charitable activities	23,831	19,692	4,139
Other trading activities	258	65	193
Interest income	160	66	94
Total Unrestricted Income	**25,429**	**20,663**	**4,766**

Total income from unrestricted funds increased by £4,766,000. This was largely due to increased income from charitable activities.

Restricted income in the year was £5,904,000, as compared with £3,694,000 in the year ended 31 August 2023, both of which included some large, one-off donations towards the new Moulding Foundation Building (Royal School Manchester) and in-progress Ged Mason Building (new home for Royal College Manchester) as part of Project Transformation and the Transforming Lives Appeal.

Expenditure
Total unrestricted expenditure increased by £4,417,000 to £26,769,000 as a result of the high levels of inflation experienced impacting our charitable expenditure.

Unrestricted funds net deficit
The net deficit on unrestricted funds for the year was £1,340,000, decrease on the £1,689,000 deficit recorded in 2022-23. This largely reflects a reduction in the depreciation charge in the year by £291,000 as a result of the old college buildings being fully written down in 2022-23.

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 £129,000 (2022-23 £71,000).

Endowment Fund net surplus
The endowment income of £13,965,000 recorded in 2023-24 represents the net profit arising on the disposal of the final 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 £18,140,000 in the year to £62,478,000 as at 31 August 2024, compared with £44,338,000 at 31 August 2023. This increase in net assets is primarily due to the net receipt of land sale income and 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 £4.2 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 2024 is £2,587,000 (2023: £2,819,000), held in the form of current assets, which are available for use by the charity.

Restricted funds are funds subject to specific requirements specified by the donor at the time of grant and their total value at 31 August 2024 was £3,556,000 (2023: £353,000).

Other Funds - Permanent Endowment – this is property, including land, which the Directors may not spend as if it were income. As at 31 August 2024 the value of endowment reserves was £56,098,000 (2023: £40,871,000).

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 more recently to mitigate the impacts of high inflation, 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) as well as recruiting from selected overseas markets for certain roles. 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.

After the year end, in October 2024, the National Insurance and Minimum Wage elements of the Budget delivered by the new Labour government will increase Seashell's costs substantially above current levels of inflation from April 2025. The ELT is therefore working through plans to limit the extent to which we need to pass on these additional costs as far as possible.

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
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.	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: • We have a dedicated Safeguarding Board, including external, independent representation; • We have a Trust-wide role of Safeguarding Officer; • The Trust has a well-established safeguarding policy, practices and reporting systems which are reviewed continually; • Progressive and developmental safeguarding training and development for all staff; • Liaison with External Safeguarding bodies for best practice initiatives and monitoring; • Procuring appropriate levels of insurance cover to mitigate against any financial risk that the Trust could be exposed to in the event of any allegations or claims; • External reviews of our safeguarding practices and procedures, and • Obtaining expert legal advice and counsel where considered appropriate.
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.	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. During 2023/24, 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. 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.

Key Risk	How this risk is managed
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.	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: • Extended the number and scope of our management training programmes; • Conducted the Job Evaluation Review, including a revised benchmarking exercise whereby salaries are compared with external data; • Streamlined recruitment processes and actions to increase the effectiveness of recruitment activity and added extra resource to the recruitment team; • Implemented a significant uplift in base pay across the Trust effective September 2023; and • Continuation of recruitment activities beyond the required staffing complement for key roles in order to create a staffing "buffer" to mitigate the impact of staff absences and resignations.
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.	Project Transformation is now firmly in its implementation stage with construction of the Ged Mason Building, the new home to RCM and shared facilities started and due to open in 2026. The Directors closely monitor the progress of the various elements of the project at each Board Meeting. 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. 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.
As a result of a potential breach in cyber security the Trust could become exposed to a prolonged period of IT disruption which significantly affects delivery of its services and / or results in the loss of a large amount of sensitive data.	The Trust ensures its physical infrastructure is updated regularly and reflects best practice. The Trust ensures its suite of systems and software, including malware and cyber-attack protection are of a high standard, updated regularly and tested for vulnerability. The Trust has robust policies and procedures including those governing all users. Seashell is Cyber Essentials and NHS Toolkit accredited. The Trust incorporates IT training and data governance in its induction and ongoing training programme.

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 2024 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.

(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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The Directors confirm that:

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

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

Approved by the Board and signed on its behalf by:

C. L. Smale

C Smale
Chair

14/02/2025

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Seashell Trust (the 'charity') for the year ended 31 August 2024 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 2024 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.

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 on page 14, 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.

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 revenue recognition (which we pinpointed to the cut-off assertion), restrictions over the use of funds, recognition of transactions in respect of the assets under construction, depreciation of fixed assets 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. 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.

Forvis Mazars LLP

Forvis Mazars LLP (Feb 19, 2025 14:13 GMT)

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

19/02/2025

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 August 2024

	Note	Un-Restricted Funds £'000	Restricted Funds £'000	Endow-ment Funds £'000	2024 Total £'000	2023 Total £'000
INCOME FROM:						
Donations and legacies		1,180	5,532	-	6,712	4,040
Charitable activities		23,831	372	-	24,202	20,186
Other trading activities		258	-	-	258	65
Investments		160	-	-	160	66
Other income – profit on disposal of endowment land		-	-	13,965	13,965	3,059
Total Income		25,429	5,904	13,965	45,297	27,416
EXPENDITURE ON:						
Raising funds		(665)	-	-	(665)	(576)
Charitable activities		(25,860)	(388)	-	(26,248)	(22,439)
Other		(244)	-	-	(244)	(94)
Total Expenditure	3	(26,769)	(388)	-	(27,157)	(23,109)
Net (expenditure)/ income	4	(1,340)	5,516	13,965	18,140	4,307
Transfers between funds		1,051	(2,313)	1,262	-	-
Net movement in funds		(290)	3,203	15,227	18,140	4,307
Balances brought forward		3,114	353	40,871	44,338	40,031
Balances carried forward		2,824	3,556	56,098	62,478	44,338

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.

BALANCE SHEET
As at 31 August 2024

COMPANY NUMBER: 04216714

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible fixed assets	6	43,122	38,648
		43,122	38,648
Current assets			
Debtors: amounts falling due within one year	7	11,612	1,999
Cash at bank and in hand		9,885	6,298
		21,497	8,297
Creditors: amounts falling due within one year	9	(4,003)	(2,607)
Net current assets		17,494	5,690
Debtors: amounts falling due after more than one year	8	1,862	-
Total assets less current liabilities and net assets	10	62,478	44,338
Endowment funds	11	56,098	40,871
Restricted funds	12	3,556	353
Unrestricted funds			
Designated funds	13	-	98
Unrestricted funds	13	2,824	3,016
Total funds		62,478	44,338

Approved on behalf of the Directors

C. L. Smale

C Smale
Chair
14/02/2025

STATEMENT OF CASH FLOWS
For the year ended 31 August 2024

	2024 £'000	2023 £'000
Cash flow from operating activities		
Net income	18,140	4,307
Depreciation	1,469	1,760
Interest income	(160)	(66)
Gain on sale of fixed assets	(13,965)	(3,059)
(Increase)/decrease in debtors	(11,454)	591
Increase/(decrease) in creditors	871	196
Net cash inflow/(outflow) from operating activities	(5,099)	3,729
Cashflows from investing activities		
Purchase of buildings and other fixed assets	(5,996)	(8,613)
Proceeds on sale of fixed assets	14,541	3,254
Bank interest received	141	45
	8,686	(5,314)
Net increase/(decrease) in cash before financing	3,587	(1,585)
Net increase/(decrease) in cash & cash equivalents	3,587	(1,585)
Cash at bank and in hand		
Balance at beginning of year	6,298	7,883
Balance at end of year	9,885	6,298
Increase/(decrease) in cash in the year	3,587	(1,585)

STATEMENT OF CASH FLOWS
For the year ended 31 August 2024

	2024 £'000	2023 £'000
Reconciliation of net cash flow to movements in net funds		
Increase/(Decrease) in cash in the year	3,587	(1,585)
Movement in net funds in the year	3,587	(1,585)
Balance at beginning of year	6,298	7,883
Net funds at end of year	9,885	6,298
Analysis of net funds		
Cash at bank and in hand	9,885	6,298
Total	9,885	6,298

Analysis of net funds

	As at 1 September 2023 £'000	Increase in cash in the year £'000	As at 31 August 2024 £'000
Cash at bank and in hand	6,298	3,587	9,885
Total	6,298	3,587	9,885

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

Continued

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

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 9.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

2. Analysis of Prior Year Statement of Financial Activities

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

3. ANALYSIS OF EXPENDITURE

(a) Analysis of total expenditure:

	Staff costs £'000	Support costs £'000	Other direct costs £'000	2024 Total £'000	2023 Total £'000
Unrestricted funds					
Expenditure on raising funds	456	171	38	665	576
Expenditure on Charitable activities	18,360	3,426	4,074	25,860	21,682
Other expenditure	-	-	244	244	94
Total unrestricted expenditure	18,816	3,597	4,356	26,769	22,351
Restricted funds					
Charitable activities	162	-	226	388	757
Total restricted expenditure	162	-	226	388	757
Total expenditure	18,978	3,597	4,582	27,157	23,109

(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.

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

4. NET INCOME / EXPENDITURE

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

	2024 £'000	2023 £'000
Auditors' remuneration – audit services	27	26
Depreciation	1,469	1,760
Profit on disposal of endowment land	(13,965)	(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 2024, the conditions attaching to the final tranches of the land sale were satisfied. This resulted in the legal transfer of approximately 11 acres of land to Bloor Homes Limited. The consideration in respect of this land transfer was £14.5m.

In previous years, the Trust had incurred £1.9m 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 were capitalised within assets under construction and are being expensed to the Statement of Financial Activities in line with the proportion of land that is sold. Accordingly, the final capitalised amount of £0.6m 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 2024 and all £1.9m has now been expensed.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

5. EMPLOYMENT COSTS

	2024 £'000	2023 £'000
Wages and salaries	16,671	14,285
Social security costs	1,432	1,231
Pension contributions	875	736
	18,978	16,252

The average monthly number of employees in the year was 640 (2023: 586), of which, 37 were qualified teachers and 45 were bank staff (2023: 37 and 42 respectively) without specified contractual hours. As at 31 August 2024, the total number of employees was 734 (2023: 680).

Neither the Directors nor persons connected with them received any remuneration or other benefits. The sum of £475 (2023: £1,729) was reimbursed for travel expenses incurred by two (2023: two) Directors during the year.

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

	2024 Number	2023 Number
£60,001 - £70,000	8	4
£70,001 - £80,000	1	1
£80,001 - £90,000	3	3
£90,001 - £100,000	2	-
£100,001 - £110,000	-	1
£110,001 - £120,000	-	-
£120,001 - £130,000	1	-
£190,001 - £200,000	1	1

The amount of pension contributions paid into the Pension Scheme for these individuals amounted to £113,000 (2023: £94,000).

The key management personnel are 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 (2023: £776,000).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

6. FIXED ASSETS

	Freehold land & buildings £'000	Sports facilities £'000	Motor vehicles £'000	Fixtures & equipment £'000	Assets under Construction £'000	Total £'000
Cost						
At 1 September 2023	39,330	2,816	550	2,930	5,477	51,103
Additions	190	9	-	164	6,157	6,520
Disposals	(5,074)	(752)	(213)	(1,225)	-	(7,264)
Transfers	1,269	-	-	-	(1,269)	-
At 31 August 2024	35,715	2,071	337	1,869	10,366	50,358
Depreciation						
At 1 September 2023	7,810	1,361	512	2,770	-	12,454
Charge for the year	1,222	125	19	103	-	1,469
Disposals	(4,497)	(752)	(213)	(1,225)	-	(6,688)
At 31 August 2024	4,535	734	319	1,648	-	7,236
Net book value						
At 31 August 2023	31,520	1,454	38	159	5,477	38,648
At 31 August 2024	31,180	1,338	18	220	10,366	43,122

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

7. DEBTORS: amounts falling due within one year

	2024 £'000	2023 £'000
Fees	3,626	1,262
Accrued income	7,170	102
Other debtors and prepayments	817	635
	11,612	1,999

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

8. DEBTORS: amounts falling due after more than one year

	2024 £'000	2023 £'000
Accrued income	1,862	-
	1,862	-

Accrued income is in respect of Transforming Lives Appeal donations

9. CREDITORS: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	343	558
Taxation and Social Security	363	329
Deferred income	1,071	233
Other creditors and accruals	2,226	1,487
	4,003	2,607

Deferred income:	2024 £'000	2023 £'000
Balance at 1 September	233	439
Amount released to income	(233)	(439)
Amount deferred in year	1,071	233
Balance at 31 August	1,071	233

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

10. ALLOCATION OF THE CHARITY'S NET ASSETS

As at 31 August 2024	Tangible fixed assets £'000	Net other assets £'000	Total £'000
Endowment funds	42,884	13,214	56,098
Restricted funds	-	3,556	3,556
Unrestricted funds	238	2,586	2,824
Unrestricted designated	-	-	-
Total net assets	43,122	19,356	62,478

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

11. ENDOWMENT FUNDS

	Balance at 1 September 2023	Income	Expense	Transfers	Balance at 31 August 2024
	£'000	£'000	£'000	£'000	£'000
Royal Schools for the Deaf Endowment	40,871	13,965	-	1,262	56,098
	40,871	13,965	-	1,262	56,098

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

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, £1.3m 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

12. RESTRICTED FUNDS

	At 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 August 2024 £'000
Transforming Lives Appeal Phase 2	132	5,532	-	(2,313)	3,351
Sundry Funds	221	372	(388)	-	205
	353	5,904	(388)	(2,313)	3,556

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 £2.3m of Transforming Lives Appeal Phase 2 funds has been transferred to Endowment Funds relating to the costs of Project Transformation.

	At 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 August 2023 £'000
Transforming Lives Appeal Phase 2	138	3199	(205)	(3,000)	132
Sundry Funds	278	495	(552)	-	221
	416	3,694	(757)	(3,000)	353

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

13. UNRESTRICTED FUNDS

	Balance at 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2024 £'000
Designated					
Strategy Development	98	-	-	(98)	-
Unrestricted funds	3,016	25,429	(26,769)	1,149	2,824
	3,114	25,429	(26,769)	1,051	2,824

	Balance at 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2023 £'000
Designated					
Strategy Development	200	-	-	(102)	98
Unrestricted funds	2,958	20,663	(22,352)	1,747	3,016
	3,158	20,663	(22,352)	1645	3,114

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). During the year, £98k 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 £1,149,000 primarily represents the allocation of the depreciation charge relating to endowed assets to the Endowment Fund.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2024

14. OTHER FINANCIAL COMMITMENTS

At 31 August 2024, total commitments under non-cancellable operating leases are as follows:

	Other	
Amounts payable within	2024	2023
	£'000	£'000
Less than 1 year	-	5
Two to five years	-	-

15. CAPITAL COMMITMENTS

Amounts contracted for but not provided for in the financial statements amounted to £18.8m (2023: £Nil) 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 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023. The valuation report was published by the Department for Education on 26 October 2023. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

16. PENSION COMMITMENTS (continued)

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

- employer contribution rates were set at 28.68% of pensionable pay (including a 0.08% levy for administration), an increase from the previous rate of 23.68%;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262.0 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222.2 billion, giving a notional past service deficit of £39.8 billion;
- an employer cost cap of 8.1% of pensionable pay will be applied to future valuations;
- the assumed real rate of GDP growth is 1.7% p.a. in excess of CPI.

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 £382,000 (2022-23: £342,000). £51,000 (2022-23: £55,000) of these TPS contributions were reimbursed to Seashell by the Department for Education. Contributions payable to the scheme at the year-end amounted to £49,000 (2023: £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 £518,000 (2022-23: £460,000). Contributions payable to the scheme at the year-end amounted to £96,000 (2023: £84,000).

17. RELATED PARTY TRANSACTIONS

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

SEASHELL TRUST

England & Wales - Charity number 1092655

Accounts

Seashell

Directors' Report and Financial Statements

For the year ended 31 August 2023

Seashell Trust

Registered Charity No: 1092655
Registered Company No: 04216714

THURSDAY
ACWWTBXM
A7 15/02/2024 #118
COMPANIES HOUSE

Seashell Trust
Stanley Road, Cheadle Hulme,
Cheshire, SK8 6RQ
Tel: 0161 610 0100
Email: info@seashelltrust.org.uk
Web: www.seashelltrust.org.uk

disability confident EMPLOYER
INVESTING IN VOLUNTEERS
AUTISM ACCREDITATION

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

Presidents: Tim Exell MBE • Baroness Henig CBE • Lord Lee of Trafford DL FCA • Sir Warren Smith JP • Christopher Lees-Jones FRICS • Lady Irene Morris

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

SEASHELL TRUST

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

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

In addition, 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

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 Munnelly (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

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

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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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.

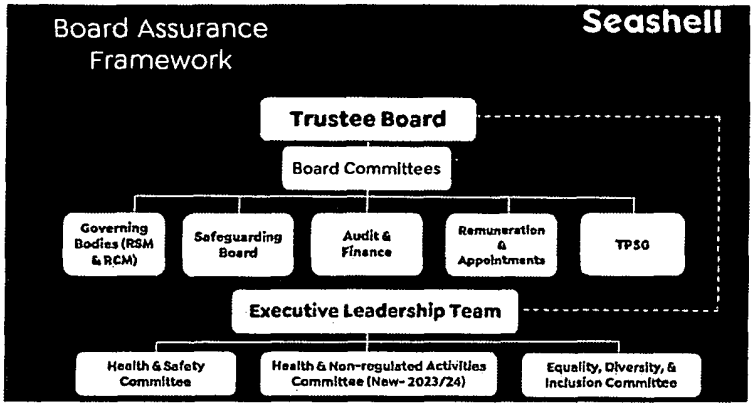
The Trust's charitable purpose is enshrined in its objects and the Directors, together with the Executive Leadership Team ("ELT"), review the strategy annually to ensure that it continues to support the Trust's stated aims and objectives.

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.

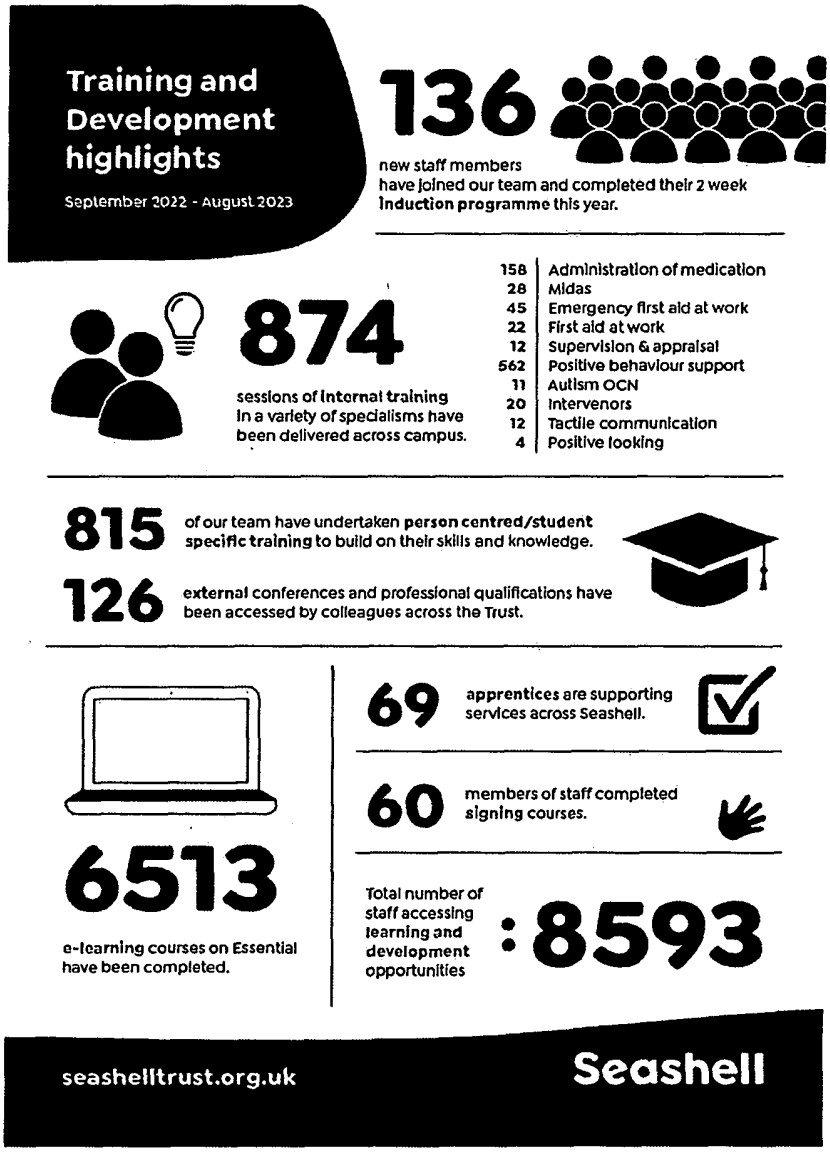
The recruitment of suitably qualified employees continues to be a challenge to the Trust, considering the growth in both the cohort of children and young adults with such highly complex needs, and the increasing complexity of their individual needs. This has been further exacerbated by a challenging 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.

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:



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.

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
Total Unrestricted Income	**20,663**	**18,446**	**2,217**

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.

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
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.	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: • We have a dedicated Safeguarding Board, including external, independent representation; • We have a Trust-wide role of Safeguarding Officer; • The Trust has a well-established safeguarding policy, practices and reporting systems which are reviewed continually; • Progressive and developmental safeguarding training and development for all staff; • Liaison with External Safeguarding bodies for best practice initiatives and monitoring; • Procuring appropriate levels of insurance cover to mitigate against any financial risk that the Trust could be exposed to in the event of any allegations or claims; • External reviews of our safeguarding practices and procedures, and • Obtaining expert legal advice and counsel where considered appropriate.
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.	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. 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. 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.

SEASHELL TRUST

Key Risk	How this risk is managed
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.	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: • Extending the number and scope of our management training programmes; • Conducted the Job Evaluation Review, including a revised benchmarking exercise whereby salaries are compared with external data; • Streamlined recruitment processes and actions to increase the effectiveness of recruitment activity and added extra resource to the recruitment team; • Implemented a significant uplift in base pay across the Trust effective September 2022; and • Continuation of recruitment activities beyond the required staffing complement for key roles in order to create a staffing "buffer" to mitigate the impact of staff absences and resignations.
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.	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. The Directors closely monitor the progress of the various elements of the project at each Board Meeting. 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. 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.

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.

(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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The Directors confirm that:

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

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

Approved by the Board and signed on its behalf by:

C. L. Smale

C Smale
Chair

5 February 2024

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.

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.

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. 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
INCOME FROM:						
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	-
Total Income		20,663	3,694	3,059	27,416	20,284
EXPENDITURE ON:						
Raising funds		(576)	-	-	(576)	(467)
Charitable activities		(21,682)	(757)	-	(22,439)	(18,904)
Other		(94)	-	-	(94)	(61)
Total Expenditure		(22,352)	(757)	-	(23,109)	(19,432)
Net (expenditure)/ income	4	(1,689)	2,937	3,059	4,307	852
Transfers between funds		1,645	(3,000)	1,355	-	-
Net movement in funds		(44)	(63)	4,414	4,307	852
Balances brought forward		3,158	416	36,457	40,031	39,179
Balances carried forward		3,114	353	40,871	44,338	40,031

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 **COMPANY NUMBER: 04216714**
As at 31 August 2023

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

Approved on behalf of the Directors

C. L. Smale

C Smale
Chair

5 February 2024

SEASHELL TRUST

STATEMENT OF CASH FLOWS
For the year ended 31 August 2023

	2023 £'000	2022 £'000
Cash flow from operating activities		
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)
Net cash inflow from operating activities	3,729	4,314
Cashflows from investing activities		
Purchase of buildings and other fixed assets	(8,613)	(15,887)
Proceeds on sale of fixed assets	3,254	-
Bank interest received	45	5
	(5,314)	(15,882)
Net (decrease) in cash before financing	(1,585)	(11,568)
Net (decrease) in cash & cash equivalents	(1,585)	(11,568)
Cash at bank and in hand		
Balance at beginning of year	7,883	19,451
Balance at end of year	6,298	7,883
(Decrease) in cash in the year	(1,585)	(11,568)

STATEMENT OF CASH FLOWS
For the year ended 31 August 2023

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

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
Total	7,883	(1,585)	6,298

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.

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.

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.

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.

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
INCOME FROM:					
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	-	-	-	-
Total Income		18,446	1,838	-	20,284
EXPENDITURE ON:					
Raising funds		(467)	-	-	(467)
Charitable activities		(18,213)	(690)	-	(18,904)
Other		(61)	-	-	(61)
Total Expenditure		(18,741)	(690)	-	(19,432)
Net gains on investments		-	-	-	-
Net (expenditure)/ income	**4**	(296)	1,147	-	852
Transfers between funds		931	(3,223)	2,292	-
Net movement in funds		636	(2,076)	2,292	852
Balances brought forward		2,522	2,492	34,165	39,179
Balances carried forward		3,158	416	36,457	40,031

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
Unrestricted funds					
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
Total unrestricted expenditure	15,976	2,551	3,825	22,351	18,741
Restricted funds					
Charitable activities	277	-	480	757	691
Total restricted expenditure	277	-	480	757	691
Total expenditure	16,253	2,551	4,305	23,109	19,432

(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.

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.

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
	16,253	14,200

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

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).

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
Cost						
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	39,330	2,816	550	2,930	5,477	51,102
Depreciation						
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	7,811	1,361	512	2,771	-	12,455
Net book value						
At 31 August 2022	8,484	1,528	69	140	22,845	33,066
At 31 August 2023	31,519	1,454	38	159	5,477	38,648

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.

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
	1,999	2,569

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.

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
	2,607	3,202

Deferred income:	2023 £'000	2022 £'000
Balance at 1 September	439	570
Amount released to income	(439)	(570)
Amount deferred in year	233	439
Balance at 31 August	233	439

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
	-	285

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.

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

10. ALLOCATION OF THE CHARITY'S NET ASSETS

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

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

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
	36,457	3,059	-	1,355	40,871

	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
	34,165	-	-	2,292	36,457

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.

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
	416	3,694	(757)	(3,000)	353

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
	2,492	1,838	(691)	(3,223)	416

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
Designated					
Strategy Development	200	-	-	(102)	98
Unrestricted funds	2,958	20,663	(22,352)	1,747	3,016
	3,158	20,663	(22,352)	1,645	3,114

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2022 £'000
Designated					
Strategy Development	550	-	-	(350)	200
Unrestricted funds	1,972	18,446	(18,741)	1,281	2,958
	2,522	18,446	(18,741)	931	3,158

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.

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:

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

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.

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.

SEASHELL TRUST

England & Wales - Charity number 1092655

Accounts

Seashell

Directors' Report and Financial Statements

For the year ended 31 August 2022

Seashell Trust

Registered Charity No: 1092655
Registered Company No: 04216714

Seashell Trust
Stanley Road, Cheadle Hulme,
Cheshire, SK8 6RQ
Tel: 0161 610 0100
Email: info@seashelltrust.org.uk
Web: www.seashelltrust.org.uk

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

Presidents: Tim Exell MBE • Baroness Henig CBE • Lord Lee of Trafford DL FCA • Sir Warren Smith JP • Christopher Lees-Jones FRICS • Lady Irene Morris

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

SEASHELL TRUST

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

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

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

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

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

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

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

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

Our Values

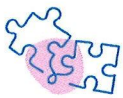
The values by which we seek to deliver on our pledge are:

Integrity 

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

Innovation 

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

Involvement 

We pride ourselves on developing strong partnerships with children, young 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

CHARITY ADMINISTRATION

Directors	S Gillingham (3*)	
	M Heath (2*)	
	C Hoggins	(appointed 7 Feb 2022)
	S Hurst	(appointed 11 July 2022)
	N Masom (2)	
	R McMillan (1)	(appointed 7 Feb 2022)
	J Munnelly	(appointed 10 October 2022)
	L Perry	
	C Povey (1)	
	C Smale (1*, 2, 3)	(Chair, effective 1 September 2021)
	K Uus	(appointed 7 Feb 2022)
	T Wilkins (1, 2, 3)	
	J Raca MBE	(resigned 8 October 2021)
	N Bottley	(resigned 30 October 2021)
	A Khawaja	(resigned 31 Dec 2021)
	E Baines (1, 3)	(resigned 31 July 2022)

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

Chief Executive Officer	J McCall	(resigned 20 May 2022)
	B Leigh	(appointed 23 May 2022)
Executive Leadership Team	M Ascroft	Director of Finance & Strategy (resigned 3 Nov 2022)
	N Giles	Director of People & Workplace
	J McCaffrey	Director of Care Services
	K Duggan	Director of Service Development
	B White	Director of Education
	B Boddice	Director of Finance (appointed 12 Dec 2022)
Address and Registered Office	Stanley Road Cheadle Hulme Cheadle Cheshire SK8 6RQ	

SEASHELL TRUST

CHARITY ADMINISTRATION

Bankers	Royal Bank of Scotland plc St Ann's Square Branch, PO Box 320 St Ann Street Manchester M60 2SS Barclays Bank plc Corporate Banking Level 11, 20 Chapel Street Liverpool L3 9AG
Auditors	Mazars LLP One St Peter's Square Manchester M2 3DE
Solicitors	Eversheds Sutherland LLP 6 Stanley St Salford M3 5GX Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA Slater Heelis LLP Suite 2 Oakland House 34 Washway Road Sale Cheshire M33 6FS
Investment Advisers	Castlefield Investment Partners LLP 1 Portland Street Manchester M1 3BE
Company Registration Number	04216714
Charity Registration Number	1092655

Introduction from the Chair of Trustees

On behalf of the Trustees of Seashell Trust, I am pleased to present our annual report and the financial statements for the year ended 31 August 2022.

Having served as a Trustee since 2017, I felt honoured to succeed David Sanders as Chair of Trustees on 1 September 2021 and so this past year has been my first as Chair. And what a year it has been!

Our staff teams continued to navigate the choppy waters brought about by the Covid pandemic in the first half of the year. Staff and student attendance was impacted by the high infection rates prevalent in the wider population, whilst the constantly changing regulations around Covid resulted in an incredibly challenging time for the Trust. This resulted in some services and activities, such as short breaks, sports provision and fundraising events, being pared back, but our core education and residential services remained operational throughout. As the year progressed, in line with the rest of the country, activities gradually returned to normal, and I was pleased to see the successful return of our "Strictly Seashell" annual ball in April. Once again, the commitment, dedication, skill and flexibility of our staff shone through, enabling us to continue to provide the very high levels of support for our students, residents and their families during this time.

Our former Chief Executive, Jolanta McCall, departed in May, and I would like to thank Jolanta for her service to the Trust during an extremely challenging period. The Trustees appointed Brandon Leigh, former Chief Financial Officer at PZ Cussons and a long-standing supporter of the Trust, as Jolanta's replacement. A key area of focus for Brandon since his appointment has been the staffing agenda.

The prolonged period of operating in such challenging circumstances has, inevitably, had an impact on our staff teams. Consequently, we have renewed our focus on staff well-being and welfare services in the year, to ensure that our staff receive as much support as possible to allow them to continue their exceptional work. With this in mind, I was pleased that the Trustees approved a significant investment of over £1 million in staff reward and welfare initiatives which have been implemented in September 2022 in recognition of the key role our staff play in supporting the needs of our students, residents and families. This investment is particularly timely and important, given the economic uncertainties we all face at this time.

Progress on Project Transformation has been excellent. We started the year with a hole in the ground and end it with a wonderful new school and shared services facility. This building, which is due to be completed in December 2022, is truly exceptional and will provide the finest education, well-being and therapy facilities for our students and the wider community. The constraints imposed by the limitations of our current school building have been difficult to manage, particularly in the last 2 to 3 years, and our staff have done a superb job in continuing to ensure the quality of education remains at a high level. But I know they are excited by the amazing opportunities that the new facilities will offer to deliver an even better educational experience for our students. All students, residents, staff and the wider community will benefit from access to the shared facilities within the building, namely the assembly hall, dining room, medical & audiology suite and hydrotherapy and learner pools.

This new school would not have been possible without the significant donations that we have received to our Transforming Lives Appeal, and we are hugely grateful to the many trust funds, corporates and private individuals who have displayed such incredible generosity and support to the Trust over the years.

Our plans for the campus, however, do not end with the opening of the new school, for we have moved forward in 2022/23 with completing the design of the new Royal College Manchester. This building, which will be located next to the new school, will also include new sports facilities such as an inclusive gym and sports hall, as well as providing a new 21st century home for our learning and development and support services teams.

Our financial performance has continued its positive trend in the year. While there remains further work to do in this area and the external economic environment is particularly challenging at present, I am confident we have the means to ensure the financial sustainability of the Trust into the future.

Chris Smale
Chair

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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 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019 in preparing the annual report and financial statements of the charity.

Our objectives

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

Delivering our objectives

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

The Trust's services comprise a School, **Royal School Manchester** (for students aged 2-19), a College, **Royal College Manchester** (for students aged 19-25), **Children's and Young 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 Centre for staff induction and training.

Public Benefit

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

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

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

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

Corporate Governance

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

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

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

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

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

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

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

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

Directors' Strategic Report

Employees and Volunteers

We employ over 600 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 and Staff Engagement Group meetings take place on a regular cycle and support discussion and communication sharing with employees focussing on discussions relevant to different staff groups. A weekly engagement survey is carried out which gives managers a snapshot on staff feedback and alerts them to any immediate areas of concern that they can then have a conversation around. The engagement tool also allows colleagues to feedback praise comments. The Trust newsletter and internal intranet has also enhanced and extended communications across the Trust.

The Trust operates a Health and Wellbeing Group, comprising members from all areas of the Trust and this has continued its work on developing staff engagement and wellbeing across the year. The Trust has a range of health and wellbeing benefits available to staff which include on site 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 personnel.

The Trust is an equal opportunities employer and welcomes applications from disabled candidates. Any disabled candidate who meets the minimum criteria for the person specification will be invited to interview and suitable adaptations made to facilitate this. If the candidate is successful, 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.

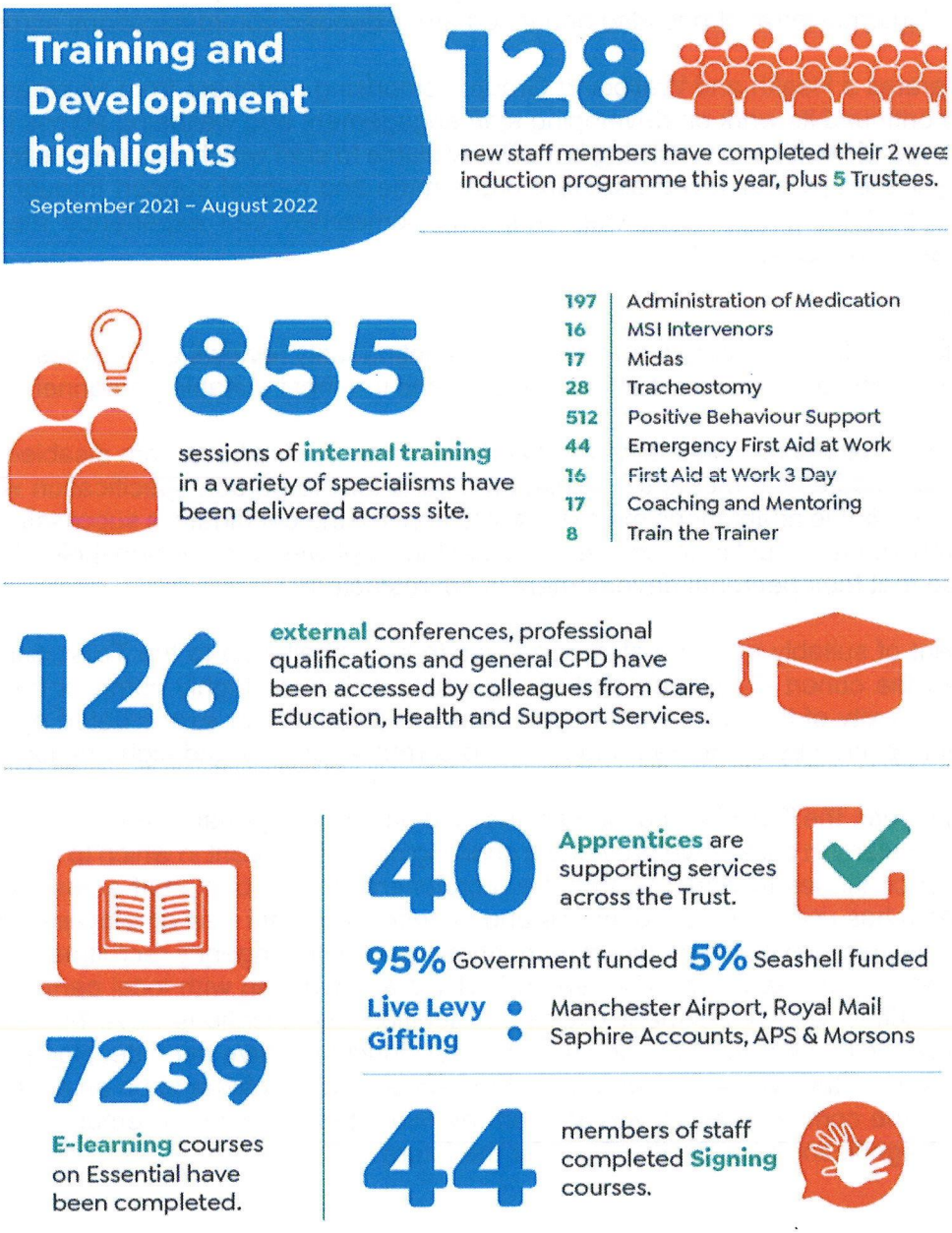
The recruitment of suitably qualified staff continues to be a challenge to the Trust, considering the growth in both the cohort of children and young adults with such highly complex needs, and the increasing complexity of their individual needs. This has been further exacerbated by an uncertain labour market impacted by Covid 19 pandemic, the current economy and high employment rates.

Throughout the year, the Trust has continually focused on recruiting quality staff. The difficult market conditions, particularly in care, have provided a challenging environment in which to recruit and retain staff. The Trust continues to work towards the recruitment of additional staff across all areas. The recruitment team has used a variety of media and methods to attract new employees and increased their current pipelines which include 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 for the future.

Learning and Development

The Trust provides highly specialist services and therefore requires similarly qualified and specialist skills amongst its staff. Accordingly, we invest significant amounts in our staff training each year. Our Learning and Development team supports staff, governors, Trustees, and volunteers through a robust induction process and provides ongoing training and support to all staff 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 a view to recruiting 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 2022 is detailed in the below infographic:



Volunteers

Volunteering continues to support the vision of the Trust through volunteers and staff collaborating in every area of the Trust's work. Opportunities have been limited since Covid 19 restrictions and the volunteer offer is being 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 and gardening tasks.

We have welcomed 53 Corporate Teams, involving approximately 420 individuals who supported our work through one-off activities such as painting, decorating and construction.

The total economic value of the 2,223 hours of volunteering was approximately £21,119.

Fundraising

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

Suppliers

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

All procurement activity adheres to the following key principles:

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

Energy Usage and Sustainability

Under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon) Regulation 2018, the Trust is required to report its annual UK energy consumption and Greenhouse Gas (GHG) emissions. Energy and GHG emissions have been independently calculated by a third party company for the year ended 31 August 2022.

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 2022 was 5,759 kWh (2020-21 5,549) resulting in carbon emissions of 1,077 tonnes of carbon dioxide (2020-21 1,045 tonnes). Emissions per employee are considered to be at an appropriate intensity ratio; average emissions per employee for the year were 1,962kg (2020-21: 1,856kg per employee).

The increased energy usage in the year is the result of the additional energy required to construct the new Royal School Manchester facility. Whilst this new building will be significantly more energy efficient than the existing school building, we expect continued high levels of energy usage in the short term 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 with the commencement of construction works in 2021 on a new Seashell Royal School Manchester incorporating integrated swimming, hydrotherapy and refectory facilities.

During the year ended 31 August 2022, £16.7m was spent on delivering Project Transformation, including £0.7m on a new learn to ride and cycling facility and £16.0m on the new Royal School Manchester, which is due to open in early 2023.

Upon completion of the new Royal School Manchester building, the next phase of Project Transformation will be the development of a new Royal College Manchester building, including extended and enhanced sports, training and administration facilities.

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; 19 acres have been transferred to date, generating a net receipt of c£19m and a further 14 acres are due to be transferred for a further consideration of c£14m.

The balance of funding for Project Transformation is expected to come from other sources, including the Trust's own cash reserves (£3m, which has already been incurred to date), potential bank borrowing and from forecast incomes arising from a capital fundraising appeal. During the year, the Trust received a further £1.4m of donations from Trust funds, corporates and private individuals towards the Transforming Lives Appeal. This included a grant from Sport England to match fund for the construction of the new learn to ride and cycle track facility.

Strategic Priorities

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

1. 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 2022, the Trust has sought to deliver its services in line with the above strategic priorities. Whilst operations have been affected by the Covid 19 pandemic, this impact has been much less than in the previous two years and good progress has been made in a number of key and important areas.

Education

School was inspected by Ofsted in November 2022 and the judgement is awaited. College was not inspected by Ofsted during the year and so the existing judgement "Good" remains. The Ofsted inspection frequency has been significantly disrupted by the Covid 19 pandemic, but both organisations have prepared well ahead of anticipated inspections in 2022-23.

Education provision was disrupted by changes to operating procedures due to the pandemic to a much more limited extent than in previous years and both School and College remained open during the whole academic year. Whilst changing Covid 19 regulations necessitated adaptations to our 'normal' timetables and academic processes student progress has continued and student outcomes, in the form of increased independence, improved communication skills and development of life skills has been good.

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

A significant amount of management time has been spent in the year on detailed preparations for the move to the new Royal School Manchester building in 2023. This has involved College as well as School staff due to the shared dining, pool and assembly facilities within that facility.

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 following a particularly challenging period navigating the complex Covid 19 restrictions. This Ofsted inspection followed a similar 'Good' judgement from Ofsted's first inspection of our Children's Short Break service in June 2021. The management team of both services has been strengthened further during the year.

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.

Other Services

Our Sensory Support and Seashell Active teams successfully returned to more normal levels of activity during the year, having been particularly badly affected by the restriction imposed by the Covid 19 pandemic in previous years. The financial viability of these services has been a challenge for the Trust in recent years, and, whilst there is still further work to do in this area, changes to operating and structures and services have been implemented in the year to place those services on a more viable financial footing. In addition our newly registered Health Services team received its first inspection from Ofsted in September 2022 and has been judged "Oustanding" in all areas.

Organisational culture and workforce management
Attracting and retaining appropriately qualified staff continues to be the key challenge facing the Trust. In the prior year we implemented new workforce management practices in areas such as recruitment, retention and deployment and these new practices have started to bear fruit in the decreased use of high-cost and unfamiliar agency staff. We have also implemented improved management information reporting around key staff metrics such as training compliance, absence levels, utilisation, recruitment and retention.

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

	2022	2021
Royal School Manchester **	50	49
Royal College Manchester **	65	66
Children's Residential Care Services	14	16
Young Adult Residential Care Services	30	29

** at the end of the summer term

Student numbers in school and college at the end of the year were broadly in line with 2021 levels. We expect that the numbers of students in school will increase towards the 60 student capacity of the new school building in the next two years. As several of these new students will have residential placements, Children's Care resident numbers are expected to increase towards its capacity of 24 beds. College student numbers are already at levels close to capacity (c70 students), although the redevelopment of the college building as part of Project Transformation provides an opportunity to extend this.

Financial Review

Income
The unrestricted income for the year ended 31 August 2022 and previous year is summarised in the table below:

	2022 £'000	2021 £'000	Change £'000
Donations and legacies	722	460	262
Charitable activities	17,305	16,422	883
Other trading activities	414	191	223
Investment income	5	2	3
Total Unrestricted Income	**18,446**	**17,075**	**1,371**

Total income from unrestricted funds increased by £1,371,000. 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 which began to be implemented in 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 £1,838,000, as compared with £5,218,000 in the year ended 31 August 2021, 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 £1,082,000 to £18,741,000. 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 £295,000, an improvement on the £581,000 deficit recorded in 2020-21. This reflects the benefits of the implementation of the medium-term phases of the Trust's Financial Recovery Plan aimed at ensuring the financial sustainability of the Trust. The Trust aims to record a small financial surplus, before depreciation charges each year, and in the year reported a surplus before depreciation on unrestricted funds of £764,000 (2020-21 £195,000).

Endowment Fund net surplus
The endowment income of £15,100,000 recorded in 2020-21 represents the net profit arising on the disposal of the second tranche of land under the terms of the sale agreement with Bloor to part fund the costs of delivering Project Transformation. No further tranches of land were transferred during the year ended 31 August 2022.

Net assets
Net assets increased by £852,000 in the year to £40,031,000 as at August 2022, compared with £39,179,000 at August 2021. 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 has been reviewed during the year by the Directors. The Directors concluded that in the long term, unrestricted, undesignated reserves (excluding fixed assets) should be maintained at a target level of £3 million. This is in order to give the Trust sufficient flexibility to operate on a day-to-day basis, to take any appropriate decisions to further the Trust's strategic development and in light of the risks that the Trust manages. The Directors have also concluded that operating at levels below this long-term target level is acceptable in the short term, as a long term financial plan for re-building these reserves exists.

Free reserves available for use by the charity exclude designated and restricted funds as well as fixed assets. The majority of fixed assets are held as land and buildings, which are permanently endowed and so cannot be used for revenue purposes. The value of our free reserves at 31 August 2022 is £2,749,000 (2021: £1,761,000), held in the form of current assets, which are available for use by the charity. Good progress has been made in the year towards re-building these reserves towards the target level and the Directors have confidence that the continued drive for efficiency improvements and further development of new revenue streams across the Trust provides a viable path towards achieving the target level in the medium term.

Of the remaining reserves, £200,000 (2021: £550,000) are designated for site and strategic development initiatives.

Restricted funds are funds subject to specific requirements specified by the donor at the time of grant and their total value at 31 August 2022 was £416,000 (2021: £2,492,000).

Other Funds - Permanent Endowment – this is property, including land, which the Directors may not spend as if it were income. As at 31 August 2022 the value of endowment reserves was £36,457,000 (2021: £34,165,000).

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 in 2020-21 and 2021-22 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 has 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 provide additional capacity for growth in income in future years. However, whilst there continues to be increased demand for the services the Trust provides, our ability to meet this demand is constrained, in particular by the shortage of staff with the highly specialist skills required. This is not a situation that is peculiar to the Trust, but is instead a well-publicised nation-wide education, health and care sector issue. Consequently, whilst the Trust can do certain things to improve this position, the Directors believe that a more comprehensive sector-wide solution is required to address the chronic shortage of staff.

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

We also expect that the new on-site facilities provided under Project Transformation will also aid 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 Team and the Chief Executive 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
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.	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: • We have a dedicated Safeguarding Board, including external, independent representation; • We have a Trust-wide role of Safeguarding Officer; • The Trust has a well-established safeguarding policy, practices and reporting systems which are reviewed continually; • Progressive and developmental safeguarding training and development for all staff; • Liaison with External Safeguarding bodies for best practice initiatives and monitoring; • Procuring appropriate levels of insurance cover to mitigate against any financial risk that the Trust could be exposed to in the event of any allegations or claims; • External reviews of our safeguarding practices and procedures, and • Obtaining expert legal advice and counsel where considered appropriate.
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.	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. During 2021/22, we have had to manage increasing costs such as fuel, energy, and other general costs due to increased inflation costs. These costs are reflected in our fee structure going forward to ensure the Trust remains financially viable. 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.

Key Risk	How this risk is managed
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.	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: • Extending the number and scope of our management training programmes; • Conducted the Job Evaluation Review, including a revised benchmarking exercise whereby salaries are compared with external data; • Streamlined recruitment processes and actions to increase the effectiveness of recruitment activity and added extra resource to the recruitment team; • Implemented a significant uplift in base pay across the Trust effective September 2022; and • Continuation of recruitment activities beyond the required staffing complement for key roles in order to create a staffing "buffer" to mitigate the impact of staff absences and resignations.
The Trust is reliant on the delivery of the site redevelopment in order to continue to provide its on-site based activities in the medium term. Delays and errors in delivering the redevelopment will adversely impact the Trust's ability to achieve its aims and objectives.	Project Transformation is now firmly in its implementation stage with construction of the new school and shared facilities being almost complete. The Directors closely monitor the progress of the various elements of the project at each Board Meeting. 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 the Executive, relevant Heads of Service and Specialist Advisors. 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.

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 2022 they have acted in the way that they believe, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole and having regard to the matters set out in s172 (1) (a) to (f) as below:

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

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

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

(c) The need to foster the company's business relationships with suppliers, customers and others.
We seek to carry out our business with similar-minded people who share our vision to help the children, young 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.

(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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The Directors confirm that:

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

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

Approved by the Board and signed on its behalf by:

C. L. Smale

C Smale
Chair

13th March 2023

Opinion

We have audited the financial statements of Seashell Trust (the 'charity') for the year ended 31 August 2022 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 2022 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.

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 on page 16, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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. 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.

D Rutoose

David Hoose
(Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peters Square
Manchester
M2 3DE
Date 30/3/2023

SEASHELL TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 August 2022

	Note	Un-Restricted Funds £'000	Restricted Funds £'000	Endow-ment Funds £'000	2022 Total £'000	2021 Total £'000
INCOME FROM:						
Donations and legacies		722	1,374	-	2,096	5,338
Charitable activities		17,305	464	-	17,769	16,762
Other trading activities		414	-	-	414	191
Investments		5	-	-	5	2
Other income – profit on disposal of endowment land		-	-	-	-	15,113
Total Income		18,446	1,838	-	20,284	37,406
EXPENDITURE ON:						
Raising funds		(467)	-	-	(467)	(462)
Charitable activities		(18,213)	(691)	-	(18,904)	(17,440)
Other		(61)	-	-	(61)	(104)
Total Expenditure		(18,741)	(691)	-	(19,432)	(18,006)
Net gains on investments		-	-	-	-	3
Net (expenditure)/ income	4	(295)	1,147	-	852	19,403
Transfers between funds		931	(3,223)	2,292	-	-
Net movement in funds		636	(2,076)	2,292	852	19,403
Balances brought forward		2,522	2,492	34,165	39,179	19,776
Balances carried forward		3,158	416	36,457	40,031	39,179

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.

BALANCE SHEET
As at 31 August 2022

COMPANY NUMBER: 04216714

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible fixed assets	6	33,066	17,271
		33,066	17,271
Current assets			
Debtors	7	2,569	5,077
Cash at bank and in hand		7,883	19,451
		10,452	24,528
Creditors: amounts falling due within one year	8	(3,487)	(2,620)
Net current assets		6,965	21,908
Total assets less current liabilities and net assets		40,316	39,179
Creditors: amounts falling due after more than one year	9	(285)	-
Net Assets		40,031	39,179
Endowment funds	11	36,457	34,165
Restricted funds	12	416	2,492
Unrestricted funds			
Designated funds	13	200	550
Unrestricted funds	13	2,958	1,972
Total funds		40,031	39,179

Approved on behalf of the Directors

C. L. Smale

C Smale
Chair

13th March 2023

For the year ended 31 August 2022

	2022 £'000	2021 £'000
Cash flow from operating activities		
Net income	852	19,403
Depreciation	1,059	776
(Gains) on investments	-	(3)
Investment income	(5)	(1)
Gain on sale of fixed assets	-	(15,113)
Decrease/(increase) in debtors	2,508	(1,928)
(Decrease) in creditors	(100)	(827)
Net cash inflow from operating activities	4,314	2,307
Cashflows from investing activities		
Purchase of buildings and other fixed assets	(15,887)	(3,805)
Proceeds on sale of fixed assets	-	16,018
Proceeds from sale of investments	-	246
Investment income received	-	1
Bank interest received	5	1
	(15,882)	12,461
Net (decrease)/increase in cash before financing	(11,568)	14,768
Net (decrease)/increase in cash & cash equivalents	(11,568)	14,768
Cash at bank and in hand		
Balance at beginning of year	19,451	4,683
Balance at end of year	7,883	19,451
(Decrease)/increase in cash in the year	(11,568)	14,768

STATEMENT OF CASH FLOWS
For the year ended 31 August 2022

	2022 £'000	2021 £'000
Reconciliation of net cash flow to movements in net funds		
(Decrease)/increase in cash in the year	(11,568)	14,768
Movement in net funds in the year	(11,568)	14,768
Balance at beginning of year	19.451	4,683
Net funds at end of year	7,883	19,451
Analysis of net funds		
Cash at bank and in hand	7,883	19,451
Total	7,883	19,451

Analysis of net funds

	As at 1 September 2021 £'000	Decrease in Cash in the year £'000	As at 31 August 2022 £'000
Cash at bank and in hand	19,451	(11,568)	7,883
Total	19,451	(11,568)	7,883

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022

1. ACCOUNTING POLICIES

Basis of preparation

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

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

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

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

Going concern

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

Fund accounting:

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022

Continued

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022

2. Analysis of Prior Year Statement of Financial Activities

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022

3. ANALYSIS OF EXPENDITURE

(a) Analysis of total expenditure:

	Staff costs £'000	Support costs £'000	Other direct costs £'000	2022 Total £'000	2021 Total £'000
Unrestricted funds					
Expenditure on raising funds	269	100	98	467	462
Expenditure on Charitable activities	13,706	1,940	2,567	18,213	17,093
Other expenditure	-	-	61	61	104
Total unrestricted expenditure	13,975	2,040	2,726	18,741	17,659
Restricted funds					
Charitable activities	225	-	466	691	347
Total restricted expenditure	225	-	466	691	347
Total expenditure	14,200	2,040	3,191	19,432	18,006

(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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022

4. NET INCOME/(EXPENDITURE)

Net expenditure is stated after charging/(crediting):

	2022 £'000	2021 £'000
Auditors' remuneration – audit services	22	19
Auditors' remuneration – assurance services	1	1
Depreciation	1,059	776
Hire costs	15	15
Profit on disposal of endowment land	-	(15,113)

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 this 33 acres in discrete tranches, with the sale of each tranche being linked to, and conditional on, the Trust entering into legally binding contracts for the construction of individual elements of Project Transformation.

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

In previous years, the Trust had incurred £1,858,000 of costs in concluding an agreement for the disposal of the 33 acres of land. These costs include legal costs in relation to the sale agreement, planning advisory and consultancy costs, associated legal and planning application fees in progressing the planning application through its various stages, including the costs of the public planning inquiry in 2019, and land agent fees. These costs have been capitalised within assets under construction. These costs will be expensed to the Statement of Financial Activities in line with the proportion of land that is sold and consequently, an amount of £1.1m 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 2021.

None of the conditions relating to the transfer of further tranches of land have been satisfied in the current year and consequently no profit has been recognised in the Statement of Financial Activities for the year ended 31 August 2022.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022

5. EMPLOYMENT COSTS

	2022 £'000	2021 £'000
Wages and salaries	12,473	11,919
Social security costs	1,054	953
Pension contributions	673	656
	14,200	13,528

The average monthly number of employees in the year was 549 (2021: 563), of which, 37 were qualified teachers and 34 were bank staff (2021: 38 and 24 respectively) without specified contractual hours. As at 31 August 2022, the total number of employees was 617 (2021: 609).

Neither the Directors nor persons connected with them received any remuneration or other benefits. The sum of £715 (2021: £161) was reimbursed for travel expenses incurred by two (2021: one) Director during the year.

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

	2022 Number	2021 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	3	1
£80,001 - £90,000	2	2
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	2	1
£120,001 - £130,000	1	

The amount of pension contributions paid into the Pension Scheme for these individuals amounted to £ 82,000 (2021: £85,000).

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 £924,000 (2021: £763,000).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022

6. FIXED ASSETS

	Freehold land & buildings £'000	Sports facilities £'000	Motor vehicles £'000	Fixtures & equipment £'000	Assets under Construction £'000	Total £'000
Cost						
At 1 September 2021	14,756	2,168	492	2,731	6,760	26,907
Additions	-	3	41	80	16,730	16,854
Disposals	-	-	-	-	-	-
Transfers	(33)	645	-	33	(645)	-
At 31 August 2022	14,723	2,816	533	2,844	22,845	43,761
Depreciation						
At 1 September 2021	5,378	1,213	403	2,642	-	9,636
Charge for the year	861	75	61	62	-	1,059
Disposals	-	-	-	-	-	-
At 31 August 2022	6,239	1,288	464	2,704	-	10,695
Net book value						
At 31 August 2022	8,484	1,528	69	140	22,845	33,066
At 31 August 2021	9,378	955	89	89	6,760	17,271

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022
Continued

7. DEBTORS

	2022 £'000	2021 £'000
Fees	2,055	2,541
Accrued income	148	133
Other debtors and prepayments	366	2,403
	2,569	5,077

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.

Included within other debtors and prepayments at 31 August 2021 was £2,000,000 receivable from a charitable trust in respect of a donation in connection with Project Transformation. This amount was received in September 2021. Further gifts, in the amount of £3,000,000 are expected from this charitable trust in the future, upon Seashell satisfactorily achieving certain conditions of funding. These further gifts are not recognised as income as the income recognition criteria has not been satisfied.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022
Continued

8. CREDITORS: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	663	201
Taxation and Social Security	263	263
Deferred income	439	570
Other creditors and accruals	2,122	1,586
	3,487	2,620

Deferred income:	2022 £'000	2021 £'000
Balance at 1 September	570	1,526
Amount released to income	(570)	(1,526)
Amount deferred in year	439	570
Balance at 31 August	439	570

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

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

	2022 £'000	2021 £'000
Other creditors and accruals	285	-
	285	-

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022
Continued

10. ALLOCATION OF THE CHARITY'S NET ASSETS

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

As at 31 August 2021	Tangible fixed assets £'000	Net current assets £'000	Total £'000
Endowment funds	17,060	17,105	34,165
Restricted funds	-	2,492	2,492
Unrestricted funds	211	1,761	1,972
Unrestricted designated	-	550	550
Total net assets	17,271	21,908	39,179

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022
Continued

11. ENDOWMENT FUNDS

	Balance at 1 September 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
	34,165	-	-	2,292	36,457

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

Royal Schools for the Deaf Endowment
In accordance with the Charity Commission's view that the land and buildings are presumed to be endowed unless evidence exists to the contrary, £2,292,000 has been transferred to endowment funds from restricted and unrestricted reserves during the year, reflecting the land and building additions in the year, some of which were funded by restricted donations, net of the depreciation charge during the year in respect of endowed fixed assets.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022
Continued

12. RESTRICTED FUNDS

	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
	2,492	1,838	(691)	(3,223)	416

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022
Continued

13. UNRESTRICTED FUNDS

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance at 31 August 2022 £'000
Designated Strategy Development	550	-	-	(350)	200
Unrestricted funds	1,972	18,446	(18,741)	1,281	2,958
	2,522	18,446	(18,741)	931	3,158

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

Unrestricted designated

The designated fund has been established to ring-fence funds for the future development of the Trust's strategy including Site development costs and start-up costs for the development of new services to the Trust. It is expected that these funds will be used within the next 2-5 years. During the year, £350k has been re-designated out of designated funds, into unrestricted funds to reflect the revised estimated costs of delivering these new services and site development plans.

Unrestricted

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2022
Continued

14. OTHER FINANCIAL COMMITMENTS

At 31 August 2022, total commitments under non-cancellable operating leases are as follows:

	Other	
Amounts payable within	2022	2021
	£'000	£'000
Less than 1 year	5	15
Two to five years	-	18

15. CAPITAL COMMITMENTS

Amounts contracted for but not provided for in the financial statements amounted to £2,901,000 (2021: £17,785,000) 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.

16. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 23 April 2019. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

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

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

The pensions charge includes net contributions payable to the TPS fund of £337,000 (2020-21: £331,000). Contributions payable to the scheme at the year-end amounted to £40,000 (2021: £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 £406,000 (2020-21: £391,000). Contributions payable to the scheme at the year-end amounted to £67,000 (2021: £67,000).

17. RELATED PARTY TRANSACTIONS

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

SEASHELL TRUST

England & Wales - Charity number 1092655

Accounts

Seashell

Directors' Report and Financial Statements

For the year ended 31 August 2021

Seashell Trust

Registered Charity No: 1092655
Registered Company No: 04216714

Seashell Trust
Stanley Road, Cheadle Hulme,
Cheshire, SK8 6RQ
Tel: 0161 610 0100
Email: info@seashelltrust.org.uk
Web: www.seashelltrust.org.uk

Patron: Her Majesty the Queen
Chair: Chris Smale
Chief Executive: Jolanta McCall

Presidents: Tim Exell MBE • Baroness Henig CBE • Lord Lee of Trafford DL FCA • Sir Warren Smith JP • Christopher Lees-Jones FRICS • Lady Irene Morris

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

SEASHELL TRUST

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

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

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

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

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

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

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

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

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

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

Our Pledge

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

Our Values

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

Integrity 

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

Innovation 

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

Involvement 

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

SEASHELL TRUST

CHARITY ADMINISTRATION

Directors	E Baines (1, 3) N Bottley (resigned 30 October 2021) S Gillingham (3*) M Heath (2*) A Khawaja (resigned 31 December 2021) B Leigh (3) (resigned 31 July 2021) N Masom (2) (appointed 1 February 2021) C Povey (1) L Perry (appointed 19 July 2021) J Raca MBE (resigned 8 October 2021) D Sanders (1, 2, 3) (Chair, resigned as Chair and Trustee 31 August 2021) D Shipley (1*, 2) (resigned 1 February 2021) C Smale (1*, 2, 3) (Chair, effective 1 September 2021) T Wilkins (1,2,3)
	(1) Member of Remuneration & Appointments Committee (2) Member of Audit & Finance Committee (3) Member of Transformation Project Steering Group * Chair of relevant Board sub-committee
Chief Executive Officer & Principal	J McCall
Executive Leadership Team	M Ascroft — Director of Finance & Strategy K Duggan — Director of Service Development Z Ensor — Director of Communications & Community Engagement N Giles — Director of People & Workplace J McCaffrey — Director of Care Services B White — Director of Education
Address and Registered Office	Stanley Road Cheadle Hulme Cheadle Cheshire SK8 6RQ

CHARITY ADMINISTRATION

Bankers	Royal Bank of Scotland plc St Ann's Square Branch, PO Box 320 St Ann Street Manchester M60 2SS Barclays Bank plc Corporate Banking Level 11, 20 Chapel Street Liverpool L3 9AG
Auditors	Mazars LLP One St Peter's Square Manchester M2 3DE
Solicitors	Eversheds Sutherland LLP 6 Stanley St Salford M3 5GX Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA Slater Heelis LLP Suite 2 Oakland House 34 Washway Road Sale Cheshire M33 6FS
Investment Advisers	Castlefield Investment Partners LLP 1 Portland Street Manchester M1 3BE
Company Registration Number	04216714
Charity Registration Number	1092655

Introduction from the Chair of Trustees

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

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

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

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

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

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

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

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

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

Chris Smale
Chair

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

Our objectives

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

Delivering our objectives

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

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

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

Public Benefit

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

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

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

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

Corporate Governance

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

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

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

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

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

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

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

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

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

Directors' Strategic Report

Employees and Volunteers

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

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

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

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

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

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

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

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

Volunteers

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

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

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

Fundraising

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

Suppliers

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

All procurement activity adheres to the following key principles:

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

Energy Usage and Sustainability

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

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

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

Project Transformation

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

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

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

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

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

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

Strategic Priorities

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

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

Operational Performance in the Year

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

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

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

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

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

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

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

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

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

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

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

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

** at the end of the summer term

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

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

Impact of Covid 19 on the Trust

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

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

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

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

Financial Review

Income

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

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

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

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

Expenditure

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

Unrestricted funds net deficit

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

Endowment Fund net surplus

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

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

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

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

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

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

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

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

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

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

Future Plans

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

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

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

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

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

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

Risk Management

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

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

Key Risk	How this risk is managed
A serious safeguarding incident occurs or is reported which causes significant reputational damage to the Trust, potentially impacting on the willingness of Local Authorities to place children and young people at the Trust.	The Trust places the greatest of importance to its obligations to ensure the safety and well-being of the children and young people under its care. However, the Directors recognise that the controls and procedures that we have in place to monitor and manage this risk, can be effective in reducing this risk, but cannot completely eliminate it. These key controls and procedures include: • We have a dedicated Safeguarding Board, including external, independent representation; • We have a Trust-wide role of Safeguarding Officer; • The Trust has a well-established safeguarding policy, practices and reporting systems which are reviewed continually; • Progressive and developmental safeguarding training and development for all staff; • Liaison with External Safeguarding bodies for best practice initiatives and monitoring; • Procuring appropriate levels of insurance cover to mitigate against any financial risk that the Trust could be exposed to in the event of any allegations or claims; • External reviews of our safeguarding practices and procedures, and • Obtaining expert legal advice and counsel where considered appropriate.
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.	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. During 2019-20, we undertook a full review of our fee structure which allowed for greater alignment with the true costs of the service provision. Following extensive consultation with Local Authorities and funding bodies, this resulted in a step-change increase in fees effective September 2021 with further increases planned for future years. This will provide a more secure and viable financial platform for the Trust going forward. In addition, the Trust has developed strong links nationally with sector organisations such as NASS, NATSPEC, CDC and NNPCF as well as close working relationships with the Department for Education.

Key Risk	How this risk is managed
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.	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: • Extending the number and scope of our management training programmes; • Conducted the Job Evaluation Review, including benchmarking salaries against external data, and began a phased implementation of the results of this review; • Provided additional resourcing to the central recruitment team and streamlined recruitment processes and actions to increase the effectiveness of recruitment activity; and • Continuation of recruitment activities beyond the required staffing complement for key roles in order to create a staffing "buffer" to mitigate the impact of staff absences and resignations.
The Trust is reliant on the delivery of the site redevelopment in order to continue to provide its on-site based activities in the medium term. Delays and errors in delivering the redevelopment will adversely impact the Trust's ability to achieve its aims and objectives.	Project Transformation is now firmly in its implementation stage with construction of the new school and shared facilities having started in the year. The Directors closely monitor the progress of the various elements of the project at each Board Meeting. The day-to-day aspects of Project Transformation are considered and managed by a new sub-committee of the board the "Transformation Project Steering Group", which comprises a number of Trustees, members of the Executive, relevant Heads of Service and Specialist Advisors. 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.
The Covid 19 pandemic continues for a lengthy period of time, resulting in continued requirement for changes in working practices and curtailment of services provided by the Trust.	Since the emergence of Covid 19 in early 2020 the Trust has operated a robust framework to manage the multiple risks that the pandemic presents. The Trust's response to the pandemic is reviewed at each Board Meeting. A "Health Business Continuity Group" consisting of all members of the Executive Leadership Team, the Lead Nurse and relevant Heads of Service continued to meet during the year to develop and review the Trust's response and latest Government guidance and requirements. Key elements of this response includes: Implementation of robust infection control measures across Site; • Monitoring of student/resident/staff COVID vaccination levels; • Regular communications to all stakeholders (staff, families, placing authorities, public health); • Redeployment of staff across services; • Individualised Covid risk assessments for each student; • Engagement with sector bodies to ensure our response is in line with that of similar organisations; • Obtaining expert legal, health and insurance advice and counsel where considered appropriate; and • Continual review and update of financial forecasts.

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

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

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

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

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

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

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

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

(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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The Directors confirm that:

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

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

Approved by the Board and signed on its behalf by:

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

C Smale
Chair

Feb 4, 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEASHELL TRUST

Opinion

We have audited the financial statements of Seashell Trust (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report which includes the Strategic Report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors
As explained more fully in the directors' responsibilities statement set out on page 16, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

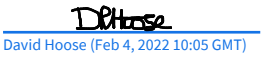
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion,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

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

Use of the audit report

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

Signed:



Feb 4, 2022

David Hoose (Senior Statutory Auditor)

For and on behalf of Mazars LLP

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

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

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

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.

BALANCE SHEET
As at 31 August 2021

COMPANY NUMBER: 04216714

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

Approved on behalf of the Directors

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

C Smale
Chair

Feb 4, 2022

STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

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

STATEMENT OF CASH FLOWS
For the year ended 31 August 2021

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

Analysis of net funds

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

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

1. ACCOUNTING POLICIES

Basis of preparation

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

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

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

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

Going concern

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

Fund accounting:

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

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

Continued

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

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

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

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

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

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

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

Continued

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

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

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

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

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

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

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

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

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

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

Continued

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

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

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

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

2. Analysis of Prior Year Statement of Financial Activities

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

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

3. ANALYSIS OF EXPENDITURE

(a) Analysis of total expenditure:

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

(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.

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

4. NET INCOME/(EXPENDITURE)

Net expenditure is stated after charging/(crediting):

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

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

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

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

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

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

5. EMPLOYMENT COSTS

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

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

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

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

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

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

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

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

6. FIXED ASSETS

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

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

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

7. FIXED ASSET INVESTMENTS

MARKET VALUE

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

8. DEBTORS

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

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

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

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

9. CREDITORS: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	201	269
Taxation and Social Security	263	209
Deferred income	570	1,526
Other creditors and accruals	1,586	439
	2,620	2,443

Deferred income:	2021 £'000	2020 £'000
Balance at 1 September	1,526	1,527
Amount released to income	(1,526)	(1,527)
Amount deferred in year	570	1,526
Balance at 31 August	570	1,526

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

10. ALLOCATION OF THE CHARITY'S NET ASSETS

As at 31 August 2021	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Endowment funds	17,060	-	17,105	34,165
Restricted funds	-	-	2,492	2,492
Unrestricted funds	211	-	1,761	1,972
Unrestricted designated	-	-	550	550
Total net assets	17,271	-	21,908	39,179

As at 31 August 2020	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Endowment funds	13,850	-	2,546	16,396
Restricted funds	-	-	829	829
Unrestricted funds	289	249	1,463	2,001
Unrestricted designated	-	-	550	550
Total net assets	14,139	249	5,388	19,776

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

11. ENDOWMENT FUNDS

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

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

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

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

12. RESTRICTED FUNDS

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

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

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

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

13. UNRESTRICTED FUNDS

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

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

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

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

14. OTHER FINANCIAL COMMITMENTS

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

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

15. CAPITAL COMMITMENTS

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

16. PENSION COMMITMENTS

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

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

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

17. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme
The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 23 April 2019. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

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

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

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

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

18. RELATED PARTY TRANSACTIONS

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

SEASHELL TRUST

England & Wales - Charity number 1092655

Accounts

Seashell

Directors' Report and Financial Statements

For the year ended 31 August 2020

Seashell Trust

Registered Charity No: 1092655
Registered Company No: 04216714

Seashell Trust
Stanley Road, Cheadle Hulme,
Cheshire, SK8 6RQ
Tel: 0161610 0100
Email: info@seashelltrust.org.uk
Web: www.seashelltrust.org.uk

INVESTORS IN PEOPLE™
We invest in people Standard

Patron: Her Majesty the Queen
Chair: Dr David Sanders
Chief Executive: Jolanta McCall

Presidents: Tim Exell MBE • Baroness Henig CBE • Lord Lee of Trafford DL FCA • Sir Warren Smith JP • Christopher Lees-Jones FRICS • Lady Irene Morris

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

SEASHELL TRUST

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

Today, Seashell provides highly specialist education in its outstanding non-maintained special school, **Royal School Manchester** and in its Independent Specialist Further Education College, **Royal College Manchester**.

In addition, we provide specialist health and care for children and young adults, to ensure that their needs are appropriately met when they cannot live with their own family, in our newly-built, registered care homes. Children and young people may be resident in our care homes for short periods, including short breaks, or in the longer term, with a view to moving on to adulthood and more independent living. The homes are a place for children and young adults to develop and grow. Over half of the children and young people require access to our specialist care homes accessing packages ranging from 1 or 2 nights a week to 52 week-a-year placements.

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

The vast majority of the children and young adults attending Seashell have little or no functional communication on their entry to the Trust. Seashell Trust 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 increasingly by our Outreach Service which provide greater access for families and professionals to our specialist services.

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

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

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

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

Our Pledge

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

Our Values

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

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

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

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

SEASHELL TRUST

CHARITY ADMINISTRATION

Directors	R Shah (1,2)	(Chair, appointed 6 November 2019, resigned 24 June 2020)
	E Baines (1,3)	
	G Ball	(resigned 18 May 2020)
	N Bottley	
	G Carr	(resigned 6 November 2019)
	S Gillingham (3*)	
	N Gower	(resigned 6 November 2019)
	M Heath (2*)	
	A Khawaja	
	B Leigh (3)	(appointed 27 July 2020)
	N Masom	(appointed 1 February 2021)
	F O'Sullivan	(resigned 8 June 2020)
	J Palmer	(resigned 24 September 2020)
	C Povey	
	J Raca MBE	
	D Sanders (1,2,3)	(Chair, effective 24 June 2020)
	D Shipley (1*,2)	
	C Smale	
	T Wilkins (3)	(appointed 6 November 2019)

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

Chief Executive Officer & Principal	J McCall	
Executive Leadership Team	M Ascroft	Director of Finance & Strategy
	K Duggan	Director of Service Development (appointed 1 January 2021)
	Z Ensor	Director of Communications & Community Engagement (appointed 25 January 2021)
	N Giles	Director of People & Workplace
	J McCaffrey	Director of Care Services
	B White	Director of Education
Address and Registered Office	Stanley Road Cheadle Hulme Cheadle Cheshire SK8 6RQ	

SEASHELL TRUST

CHARITY ADMINISTRATION

Bankers	Royal Bank of Scotland plc St Ann's Square Branch, PO Box 320 St Ann Street Manchester M60 2SS Barclays Bank plc Corporate Banking Level 11, 20 Chapel Street Liverpool L3 9AG
Auditors	Mazars LLP One St Peter's Square Manchester M2 3DE
Solicitors	Eversheds Sutherland LLP 70 Bridgewater Street Manchester M1 5ES Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA Slater Heelis LLP Suite 2 Oakland House 34 Washway Road Sale Cheshire M33 6FS
Investment Advisers	Castlefield Investment Partners LLP 1 Portland Street Manchester M1 3BE
Company Registration Number	04216714
Charity Registration Number	1092655

Introduction from the Chair of Trustees

On behalf of the Trustees of Seashell Trust, I am pleased to present our annual report setting our achievements this year and our progress towards achieving our Strategic Plan, the financial statements and the auditor's report for the year ended 31 August 2020.

The past year has been a landmark year in our proud and near 200-year history.

In April 2020, we finally received planning consent for our long-awaited site redevelopment – Project Transformation. This project will see us invest more than £50m in our campus site in Cheadle Hulme over the coming years. Not only will this see the replacement of many of our existing buildings that are no longer fit for purpose, it also provides new and enhanced capacity and facilities which will allow us to provide a more extensive and diverse range of services to a much wider range of children, young people and their families with some of the most complex needs in society. This provides a wonderful opportunity for us to deliver a truly world-class environment that will be used by the next generation and beyond.

Of course, 2020 will also always be remembered for the Covid19 pandemic which has had a devastating effect on society, its finances and our relationships with one another. Organisations of all shapes and sizes have been affected, Seashell as much as any. All of our students and residents are extremely vulnerable and so maintaining their safety, security and mental health wellbeing – and that of our staff – has been our upmost priority throughout.

I am incredibly proud of how our staff have responded to the many and varied challenges that this pandemic raised. In particular I would like to thank staff for the commitment they showed in continuing to provide services to our students, residents and their families in the most difficult circumstances. Our staff made extraordinary efforts to continue to support as many of our students, residents and families as possible. Working practices and methods of service delivery were adapted, with staff being redeployed into different parts of the Trust, sometimes providing services direct to students, in the family home during evenings and weekends and into the normal school holiday periods. This response was complemented by our supporters and volunteers who also contributed to this combined response through donations, supplies of PPE, gifts for the children and young people and in many other ways.

As I write, we are now in the third national lockdown and are facing these challenges again. However, I have confidence that the response to date amply demonstrates the commitment that all our staff, volunteers and supporters show in always putting the people we support at the heart of everything they do.

David Sanders
Chair

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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 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2019 in preparing the annual report and financial statements of the charity.

Our objectives

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

Delivering our objectives

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

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

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

Public Benefit

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

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

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

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

Corporate Governance

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

There are sub-committees of the Board, chaired by a Director to oversee governance and audit and financial matters. During the year a new sub-committee was created to oversee the delivery of Project Transformation. This sub-committee is also chaired by a Trustee and includes several Trustees as members alongside relevant members of the Trust's Executive Leadership Team and external advisors with relevant construction sector experience.

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 Governance Committee.

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

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

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

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

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

Directors' Strategic Report

Employees and Volunteers

We employ approximately 600 full and part time staff whose contribution and commitment to the Trust, its children, young people and their families is truly inspiring. The Trustees would like to formally place on record their most sincere thanks to our staff for this work; they really are our greatest asset. This has been particularly evident in their response to the numerous challenges presented by the Covid19 pandemic.

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

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

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

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

The recruitment of suitably qualified staff has been a severe challenge to the Trust in recent years, and remains so, in light of the growth in both the cohort of children and young people with such highly complex needs, and the increasing complexity of their individual needs. This has been further exacerbated by a generally improving labour market for employees with specialist skills.

Throughout 2019-20 the Trust has maintained the emphasis on recruiting quality staff. The difficult market conditions, particularly in Care, have provided a challenging environment in which to recruit and retain staff. The Trust continues to work towards the recruitment of additional staff across all areas. The recruitment team have used a variety of media and methods to attract new employees including direct recruitment campaigns, agency recruitment spend and by making modifications to the induction processes for new starters. However, staff retention and recruitment remains a key challenge and an area of significant focus for the Trust for the future.

Learning and Development

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

Volunteers

Volunteering continues to support the Vision of the Trust through volunteers and staff collaborating in every area of the Trust's work although opportunities have been limited in the year due to COVID restrictions. We have **over 70 individuals** who regularly volunteer their services to the Trust, undertaking a wide variety of activities – from classroom support, to office administration assistance, to support for our CADS™ and sports activities and gardening tasks.

This is in addition to the **40+ Corporate Teams,** involving approximately 250 other individuals who supported our work through one-off activities such as painting, decorating and construction.

The total economic value of the 1200 hours of volunteering was approximately **£24,000**.

Fundraising

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

Suppliers

The Trust recognises its responsibility to ensure its charitable business activities are undertaken in accordance with regulatory requirements and best practice. The Trust's procurement policy has been developed to help the Trust achieve best value in the use of limited resources to support the Trust in achieving its overall aims and objectives. It also supports addressing the requirements of the Charity Governance Code and the 2010 Bribery Act by emphasizing 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 will be 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 2020.

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 2020 was 5,304,000 kWh resulting in carbon emissions of 1,044 tonnes of carbon dioxide. Emissions per employee are considered to be an appropriate intensity ratio; average emissions per employee for the year were 1,816kg per employee. The redevelopment of the campus as part of Project Transformation provides an opportunity for this to be reduced in future years via the replacement of many of our existing, energy inefficient and aged buildings.

Project Transformation

Project Transformation is a continuation of the existing strategy to comprehensively redevelop our campus that delivered our new residential accommodation in 2015 and 2016.

The majority of our existing buildings date back to the 1950s and are tired and unfit for the needs of today's students and residents. In 2016, we submitted a planning application for the redevelopment of our campus and the change of use for some of our surplus land for residential development. Following an extensive period of consultation, and a recommendation from local planning officers that the application be approved, this was rejected in 2018 by Stockport MBC members. However, following an appeal to the planning inspectorate, which required the commitment of a significant proportion of our reserves, the decision was overruled, and Seashell was granted consent in April 2020 by the Secretary of State for Housing.

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

It is an ambitious project which is expected to take more than five years to complete and is estimated to cost over £50 million to build. The plan is for building work on the new school and shared facilities building to start in 2021 and the project has been carefully phased to have as little impact on the children, young people and staff at Seashell as possible.

The opening of the different elements of the new campus will be staged over the coming six years and we expect students to start to benefit from the project very soon. We anticipate that it will be built in several phases over the following timeframes:

- Development of new 3G sports pitch - delivered in 2018-19
- New Royal School Manchester & shared facilities building - expected Autumn 2022
- New site entrance & reception building - expected Autumn 2022
- New 4-court sports hall, gym and pavilion - expected Autumn 2023
- Redevelopment of Royal College Manchester - expected Winter 2024
- New training, community engagement & administration facilities - expected Spring 2026
- Assessment & early intervention services facilities - expected Spring 2027

Project Transformation will be part-funded by the sale of c33 acres of the surplus land for residential development. In October 2019, following an extensive marketing and tender process, the Trust concluded negotiations to sell this land to Bloor Homes. Under the terms of this agreement, the land is to be sold in five tranches, upon the satisfactory discharge of certain conditions. One such condition related to the receipt of satisfactory planning consent. This condition has now been satisfied, resulting in the transfer of c3 acres to Bloor for a consideration of £3,267,000 in July 2020. The transfer of the remaining four tranches of land (totalling c30 acres) is conditional on the Trust agreeing contracts for the construction of the next four remaining elements of the campus redevelopment. This, in turn, is conditional on Stockport MBC granting detailed planning consent for these phases and the Trust being in receipt of sufficient funding to fulfil those construction contracts.

The balance of funding for Project Transformation is expected to come from other sources, including the Trust's own cash reserves (£3m –which has already been incurred to date), potential bank borrowing (£3m) and from forecast incomes arising from a capital fundraising appeal (£13m).

As at 31 August 2020, the Trust has incurred in excess of £4 million on progressing Project Transformation. This includes architectural and related costs for the design of the masterplan and in developing more detailed designs for the new school, legal and planning related costs incurred in obtaining planning consent and legal advisory costs in respect of the sales agreement for the land sale. It also includes costs for the construction of the 3G sports pitch and site demolition costs to clear the site for the new school building.

Strategic Priorities

The successful delivery of Project Transformation will have a truly transformational effect on the physical environment at Seashell and provides the foundation to deliver on our strategic aims and objectives. Following receipt of planning consent, we have reviewed our long term strategy and re-focussed on a refreshed set of strategic priorities which shape our plans. These are:

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

Operational Performance in the Year

In the year ended 31 August 2020, the Trust has sought to deliver its services in line with the above strategic priorities. Whilst this has been impacted by the effects of the Covid19 pandemic, progress has still been made in a number of key and important areas,

Education
Neither school nor college were inspected by Ofsted during the year and so the existing judgements of "Outstanding" and "Good" for School and College respectively remain. Both organisations have prepared well for anticipated inspections in 2020-21 but these may be deferred as a result of the Covid19 pandemic.

Education provision was hugely disrupted in the year as a result of the pandemic, resulting in the closure of both School and College in March 2020 followed by a graduated re-opening during the summer term. We have refined our remote learning systems and platforms in response, including the remote delivery of therapy sessions, the training of families in the use of assistive technology devices for students who were at home and the roll out of tele-practice assessments and interventions. These new methods of delivering our services will continue to be developed and refined and we expect will become an integral part of our service offering in the future.

In addition, we have been able to deploy new technology 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.

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

Care Services
We have embedded further operational improvements within Children's Care services in the year. This included appointing a permanent Director of Care in January 2020 and strengthening the management team within this service. A number of these management posts are appointed on an interim basis, including Registered Manager, and we have struggled to make permanent appointments to these important posts. However, the service received a "sustained effectiveness" rating by Ofsted following its Interim inspection in January 2020, confirming the current judgement of the service as "Good".

We also completed our separate registration of our Children's short break respite service with Ofsted Care.

As expected, our Young People's Care service did not receive an inspection from CQC during the year and retains its current rating as "Good".

Other Services
Our Outreach and Sports services were particularly affected by the Covid19 pandemic, with the majority of activities closed for a period of time. Our Outreach team were awarded a contract with the Department of Health for the national delivery of training and awareness sessions on FASD (Fetal Alcohol Syndrome Disorder) and were able to deliver many of these sessions remotely. Similarly, our Sports team have adapted our existing on-site CADS (Children's Able and Disabled Sports) programmes for remote delivery.

However the financial viability of these services remains a challenge which will be a key focus for the Executive in 2020-21.

Organisational culture and workforce management

Attracting and retaining appropriately qualified staff has continued to be a significant challenge during the year. We have implemented new workforce management practices in areas such as recruitment, retention and deployment and these new practices have started to bear fruit in the decreased use of high-cost and unfamiliar agency staff.

As part of the refresh of our strategic priorities in the year we have developed a new vision, values and workforce development framework to improve employee engagement, reward and retention. This has included a revised and extended Executive Leadership Team, with enhanced focus on aligning roles and responsibilities to the strategic priorities and improved cross-functional working at all levels of the organisation. Following a period of consultation and recruitment, this revised Executive structure was implemented in January 2021.

Student Numbers

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

	2020	2019
Royal School Manchester **	47	52
Royal College Manchester **	68	70
Childrens Residential Care Services	17	16
Young Adult Residential Care Services	32	32

** at the end of the summer term

Student numbers in school and college were slightly down on 2019 levels, despite applications for placements being high. There was a high number of school leavers planned for July 2019 and this allowed us to build student numbers during the year ended 31 August 2019 to beyond the notional capacity of the current school building of 50 students for a temporary period. Whilst a similar number of leavers were expected in July 2020, the disruption to our normal admissions process caused by the Covid19 pandemic limited our ability to bring many new students into school during the school year.

As the effects of the Covid pandemic begin to recede, we expect that the numbers of students in school will increase towards the 60 student capacity of the new school building in the medium term. As several of these new students will have residential placements, Children's Care resident numbers are expected to increase towards its capacity of 24 beds. College student numbers are already at levels close to capacity (c70 students), although the redevelopment of the college building as part of Project Transformation provides an opportunity to extend this. However this will be constrained, to an extent, as the Young People's Residential Care Service is currently approaching its current capacity of 36 beds.

Impact of Covid19 on the Trust

The impact of Covid19 on the Trust during the year has been significant and has impacted every part of the Trust's operations and finances.

Almost all of the children and young people at Seashell are extremely vulnerable and a high number were classed as clinically extremely vulnerable and received shielding letters. Our primary focus throughout the pandemic has been the safety of the children, young people, their families and our staff. This remains our primary focus.

As infection rates increased across the country, we took the unprecedented decision to close school and college in March 2020, along with our sports and community services and our short break respite services. We also cancelled the majority of our fundraising events and activities and several training and support packages provided via our Outreach team.

Initially, all of our day students and most of our weekly and termly residents returned to their family home and we re-focussed our depleted staffing resources on maintaining the continuity of education and care to those residential students who had substantially full time (48-52 week) placements with us. In order to minimise cross-contamination, each house formed its own discrete bubble with education and care being provided by dedicated staff assigned to each household. The majority of our education staffing teams were re-deployed into the care homes to provide the minimum staffing levels needed, with the remaining staff being focussed on providing remote learning and therapy support to day students. All of our non-contact staff teams worked from home and only essential visitors to site were permitted. Unfortunately these restrictions extended to family visits to our residential students, which has been an extremely challenging situation to manage given their limited ability to understand the reasons for these restrictions.

Following this initial period, we began to gradually re-introduce services to more and more students and residents as staffing levels, infection control measures and individual circumstances allowed; first with weekly and termly residential students returning to the care homes, followed by the introduction of an on-site day service for some of our day students and, eventually with a limited opening of our short break respite services. We continued to offer these services – at an increasing level – throughout the year and over the Easter, May and Summer holidays. We have also worked to provide on-site, Covid-secure, visiting arrangements for our residential students – some of whom have been unable to see their parents in person for weeks – subject to consultation and approval by local public health officials.

Throughout, we continued, through increased and creative use of technology, to support our day students by providing remote learning aids, tools and therapy sessions and, in some cases provided staff to support the children direct in the family home.

All of the above measures were informed by individual risk assessments and extensive consultation, support and feedback with families and the Trust's response to the Covid19 pandemic was managed by a Health Business Continuity Group, comprised of the Executive Leadership Team, Heads of Service and members of the nursing team. This Group met daily to monitor student/ resident health concerns, staffing levels, communications, PPE stocks, the financial impact of the pandemic on the Trust and proposed remedial action and to consider the Trust's response, interpretation of latest government advice, and coordination with external agencies such as Stockport's Health Protection Team. The Health Business Continuity Group continues to meet regularly (at least once per week) to coordinate the Trust's response to the pandemic.

In addition, two additional Trustee meetings were held during this period to review the Trust's response to the pandemic and provide the necessary governance and support to management.

Financial Review

Income

The unrestricted income for the year ended 31 August 2020 and previous year is summarised in the table below:

	2020 £'000	2019 £'000	Change £'000
Donations and legacies	358	701	(343)
Charitable activities	15,138	14,353	785
Other trading activities	154	385	(231)
Investment income	10	26	(16)
Total Unrestricted Income	**15,660**	**15,465**	**195**

Total income from unrestricted funds increased by £195,000. This was principally due to an increased income from charitable activities as a result of a change in mix of students and residents in the year, with new starters in September 2019 having, on average, greater support needs and longer residential packages than leavers in July 2019. The increase is partly offset by the receipt of large, individual donations during the previous year and the loss of income from sports, community, short breaks and fundraising as a result of Covid19.

Restricted income in the year was £363,000, as compared with £621,000 in the year ended 31 August 2019. This reduction is also due to the impacts of Covid19 as many trust funds re-focussed their grant-giving towards health charities more directly impacted by the immediate effects of the pandemic.

Expenditure

Total unrestricted expenditure remained broadly consistent at £16,762,000 for the year ended 31 August 2020 – a £31,000 reduction on 2019. This reduction is despite an overall increase in typical support needs for new students, (thereby requiring increased staffing levels), a higher depreciation charge, additional costs for the interim management team within Children's Care Services, and Covid19 related expenditure, such as PPE, additional IT equipment and cleaning costs. This net reduction in expenditure, despite these additional costs reflects improved operational efficiencies. This is particularly so, in regard to staff deployment resulting in reduced use of high-cost agency staffing and the benefits of our specialist interventions which lead to increased student independence levels and consequent reduced support needs and staffing as children and young people develop at the Trust.

Endowment Fund net surplus

Endowment income includes £3,087,000 representing the profit arising on the disposal of the first tranche of land under the terms of the sale agreement that the Trust entered into during the year to part-fund the costs of delivering Project Transformation.

Net assets

Net assets increased by £2,024,000 in the year to £19,776,000 as at August 2020, compared with £17,752,000 at August 2019. This increase in net assets is the result of the sale of land during the year, offset by the deficit on unrestricted activities.

Investments

An independent firm of investment advisers, Castlefield Investments LLP, manages the Trust's investments under discretionary powers. Investment performance is overseen by the Audit & Finance Sub-committee, taking into account the Board's attitude to risk (medium) and the challenge of maintaining the value of our capital for development projects. During the year, the Directors liquidated a portion of the Trust's equity based investments and placed part of these proceeds into cash deposits and other financial securities that provide less exposure to market fluctuations and are more readily convertible into cash. This has impacted on the overall returns generated from our investment portfolio, both by reducing dividend income and in lower net investment returns.

Reserves

The reserves policy is reviewed periodically by the Directors. The Directors remain of the opinion that in the long term, unrestricted, undesignated reserves (excluding fixed assets) should be maintained at a minimum level of £2 million. This is in order to give the Trust sufficient flexibility to operate on a day-to-day basis, to take any appropriate decisions to further the Trust's strategic development and in light of the risks that the Trust manages. The Directors have also concluded operating at levels below this long-term minimum level is acceptable in the short term, as a long term financial plan for re-building these reserves exists.

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

Of the remaining reserves, £550,000 (2019: £550,000) are designated for site and strategic development initiatives.

Restricted funds are funds subject to specific requirements specified by the donor at the time of grant and their total value at 31 August 2020 was £829,000 (2019: £852,000).

Other Funds - Permanent Endowment – this is property, including land, which the Directors may not spend as if it were income. In the current year the net increase in endowment assets was £1,932,000.

Going concern

The Directors have prepared budgets and projections taking into account possible changes to future income and expenditure which show that the Trust is able to continue to operate as a going concern for the foreseeable future. A reasonable worst-case set of assumptions, including continued Covid19 impacts, has been considered in making this assessment on going concern. Furthermore, the receipt of planning consent for Project Transformation provides some short term financial flexibility and greater long term assurance over the Trust's ability to deliver its future plans.

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.

The numbers of children born with highly complex needs continues to increase year on year, and the needs of those children become ever-more complex. This, coupled with the decreasing supply nationally of highly-specialist services for this cohort of children and young people means that demand for the services that the Trust provides is high and expected to continue to grow. The redevelopment of the campus via Project Transformation provides a once-in-a-generation opportunity to reduce the current limitations that the existing physical campus places on the extent of services that the Trust delivers – not just in terms of increasing capacity, but also in providing additional facilities to develop new services and income streams.

However, our ability to meet this demand has been, and will continue to be constrained by the lack of funding available to the sector. Our fees are funded from the public purse and we expect the pressure on public finances to continue, particularly following the financial costs of the Covid19 pandemic. Funding agencies are already having to make difficult decisions on how to prioritise and ration the money available against the backdrop of increasing need and relatively expensive placements such as those provided by the Trust are an obvious area for increased scrutiny and challenge.

In addition, the shortage of staff with the highly specialist skills that are required to educate and care for our students and residents is a further area of concern. The task of retaining and recruiting staff with the highly specialist skills that are required to support the complex needs of our students and residents is becoming increasingly difficult. This is further compounded by the increased regulatory requirements across all services, most notably within Care Services, which necessitates the investment of additional management oversight, review and hence costs.

The above combination of increased demand, increased costs, reduced funding and staffing supply constraints, against a financial backdrop of recent financial deficits provide a difficult path for the Trust to navigate going forward.

During the year we developed a Financial Recovery Plan which plots a route to financial sustainability for the Trust in the medium term. The key elements of this plan include:

- A re-alignment of our fee structure with our cost base for our core services;
- A more forensic review of our operating model to improve our operational efficiency without compromising on effectiveness;
- The development of a workforce and organisational development strategy which focusses on how we recruit, manage, motivate, reward and organise our biggest asset and cost – our people;
- Investment in digital technologies to streamline back-office processes and systems and ways of working. In addition, more extensive use of integrated assistive technology devices by our students and residents provides an opportunity for an enhanced platform for increased communication, independence and reduced direct support needs;
- In line with our strategic priorities, extend the range of services we provide, including the further development and analysis of the financial viability of new revenue streams via the establishment of early assessment, intervention, advisory and outreach services, principally to be delivered off-site with a range of partners and stakeholders;
- Maximise the opportunities in terms of increased capacity, range and flexibility in service provision that Project Transformation will provide.

We have made good progress in developing this strategy and in implementing key elements during the year. For example we have now concluded discussions with funding bodies on revised fees with effect from September 2021 which will ensure a more secure financial footing for the Trust. In addition, the way in which we have responded to the Covid19 pandemic has demonstrated an ability to adapt service delivery models where necessary which provides confidence for the future. However, the continuation of the Covid19 pandemic into 2021 provides further stresses and strains on both the operational and financial aspects of the Trust, and we will need to continually review and adapt this plan as we move forward.

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

Risk Management

The identification of risk is delegated to the Executive Team and the Chief Executive & Principal who report risk management to the Directors for their oversight, review and approval at Board Meetings.

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

Key Risk	How this risk is managed
A serious safeguarding incident occurs or is reported which causes significant reputational damage to the Trust, potentially impacting on the willingness of Local Authorities to place children and young people at the Trust.	The Trust places the greatest of importance to its obligations to ensure the safety and well-being of the children and young people under its care. However, the Directors recognise that the controls and procedures that we have in place to monitor and manage this risk, can be effective in reducing this risk, but cannot completely eliminate it. These key controls and procedures include: • We have a dedicated Safeguarding Board, including external, independent representation; • We have a Trust-wide role of Safeguarding Officer; • The Trust has a well-established safeguarding policy, practices and reporting systems which are reviewed continually; • Progressive and developmental safeguarding training and development for all staff; • Liaison with External Safeguarding bodies for best practice initiatives and monitoring; • Procuring appropriate levels of insurance cover to mitigate against any financial risk that the Trust could be exposed to in the event of any allegations or claims; • External reviews of our safeguarding practices and procedures and; • Obtaining expert legal advice and counsel where considered appropriate.
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.	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. We have undertaken a full review of our fee structure which has allowed for greater alignment with the true costs of the service provision. Following extensive consultation with Local Authorities and funding bodies, this has resulted in a step-change increase in fees effective September 2021 with further increases planned for future years. This will provide a more secure and viable financial platform for the Trust going forward. In addition, the Trust has developed strong links nationally with sector organisations such as NASS, NATSPEC, CDC and NNPCF as well as close working relationships with the Department for Education.

Key Risk	How this risk is managed
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.	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: • Extending the number and scope of our management training programmes; • Conducted the Job Evaluation Review, including benchmarking salaries against external data, and began a phased implementation of the results of this review; • Provided additional resourcing to the central recruitment team and streamlined recruitment processes and actions to increase the effectiveness of recruitment activity; • 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.
The Trust is reliant on the delivery of the Site redevelopment in order to continue to provide its on-site based activities in the medium term. Delays and errors in delivering the redevelopment will adversely impact the Trust's ability to achieve its aims and objectives.	Project Transformation has now moved into its implementation stage following the receipt of planning consent in April 2020. The Directors closely monitor the progress of the various elements of the project at each Board Meeting. The day-to-day aspects of Project Transformation are considered and managed by a new sub-committee of the board the "Transformation Project Steering Group", which comprises a number of Trustees, members of the Executive, relevant Heads of Service and Specialist Advisors. 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.

Key risk	How this risk is managed
The Covid19 pandemic continues for a lengthy period of time, resulting in continued requirement for changes in working practices and curtailment of services provided by the Trust.	Since the emergence of Covid19 in early 2020 the Trust has operated a robust framework to manage the multiple risks that the pandemic presents. Two extraordinary Board Meetings have been held during the year to specifically review and assess the Trust's response to the pandemic and this remains an item that is reviewed at each ordinary Board Meeting. A "Health Business Continuity Group" consisting of all members of the Executive Leadership Team, the Lead Nurse and relevant Heads of Service has been formed and meets at least weekly (initially daily) to develop and review the Trust's response and latest Government guidance and requirements. Key elements of this response includes: • Implementation of robust infection control measures across Site; • Regular communications to all stakeholders (staff, families, placing authorities, public health); • Redeployment of staff across services; • Individualised Covid risk assessments for each student; • Minimising on-site activities and movement; • Engagement with sector bodies to ensure our response is in line with that of similar organisations; • Obtaining expert legal, health and insurance advice and counsel where considered appropriate; • Continual review and update of financial forecasts.

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

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

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

The Board of Directors of Seashell Trust consider that, both individually and collectively, for the year ended 31 August 2020 they have acted in the way that they believe, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole and having regard to the matters set out in s172(1) (a) to (f) as below:

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

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

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

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

(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.

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:

D Sanders
Chair

28th February 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEASHELL TRUST

We have audited the financial statements of Seashell Trust (the 'charity') for the year ended 31 August 2020 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 2020 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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report which includes the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate and proper 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities statement set out on page 20, 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 these financial statements.

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

Use of the Audit report

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

Signed:

David Hoose

David Hoose (Senior Statutory Auditor)

For and on behalf of Mazars LLP

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

3RD MARCH 2021

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
For the year ended 31 August 2020

	Note	Un-Restricted Funds £'000	Restricted Funds £'000	Endow-ment Funds £'000	2020 Total £'000	2019 Total £'000
INCOME FROM:						
Donations and legacies		358	71	-	429	822
Charitable activities		15,138	292	-	15,430	14,853
Other trading activities		154	-	-	154	385
Investments		10	-	-	10	26
Other income – profit on disposal of endowment land	4	-	-	3,087	3,087	-
Total Income		15,660	363	3,087	19,110	16,086
EXPENDITURE ON:						
Raising funds		(412)	-	-	(412)	(466)
Charitable activities		(16,280)	(302)	-	(16,582)	(16,655)
Other		(70)	-	-	(70)	(98)
Total Expenditure		(16,762)	(302)	-	(17,064)	(17,219)
Net (losses) on investments		(22)	-	-	(22)	(18)
Net (expenditure)/ income	**4**	(1,124)	61	3,087	2,024	(1,151)
Transfers between funds		1,239	(84)	(1,115)	-	-
Net movement in funds		115	(23)	1,932	2,024	(1,151)
Balances brought forward		2,436	852	14,464	17,752	18,903
Balances carried forward		2,551	829	16,396	19,776	17,752

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.

BALANCE SHEET
As at 31 August 2020

COMPANY NUMBER: 04216714

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible fixed assets	6	14,139	14,922
Investments	7	249	987
		14,388	15,909
Current assets			
Debtors	8	3,148	3,934
Cash at bank and in hand		4,683	844
		7,831	4,778
Creditors: amounts falling due within one year	9	(2,443)	(2,935)
Net current assets		5,388	1,843
Total assets less current liabilities and net assets		19,776	17,752
Endowment funds	11	16,396	14,464
Restricted funds	12	829	852
Unrestricted funds			
Designated funds	13	550	550
Unrestricted funds	13	2,001	1,886
Total funds		19,776	17,752

Approved on behalf of the Directors

D Sanders
Chair

28th February 2021

STATEMENT OF CASH FLOWS
For the year ended 31 August 2020

	2020 £'000	2019 £'000
Cash flow from operating activities		
Net income/(expenditure)	2,024	(1,151)
Depreciation	920	841
Losses on investments	22	18
Investment income	(7)	(19)
Gain on sale of fixed assets	(3,088)	(3)
Decrease/(increase) in debtors	779	(2,005)
(Decrease)/increase in creditors	(322)	1,617
Net cash inflow/(outflow) from operating activities	328	(702)
Cashflows from investing activities		
Purchase of buildings and other fixed assets	(484)	(1,666)
Proceeds on sale of fixed assets	3,268	3
Purchase of investments	-	(64)
Proceeds from sale of investments	717	767
Investment income received	7	19
Bank interest received	3	8
	3,511	(933)
Net increase/(decrease) in cash before financing	3,839	(1,635)
Net increase/(decrease) in cash & cash equivalents	3,839	(1,635)
Cash at bank and in hand		
Balance at beginning of year	844	2,479
Balance at end of year	4,683	844
Increase/(decrease) in cash in the year	3,839	(1,635)

STATEMENT OF CASH FLOWS
For the year ended 31 August 2020

	2020 £'000	2019 £'000
Reconciliation of net cash flow to movements in net funds		
Increase/(decrease) in cash in the year	3,839	(1,635)
Movement in net funds in the year	3,839	(1,635)
Balance at beginning of year	844	2,479
Net funds at end of year	4,683	844
Analysis of net funds		
Cash at bank and in hand	4,683	844
Total	4,683	844

Analysis of net debt

	As at 1 September 2019 £'000	Increase in Cash in the year £'0000	As at 31 August 2020 £'0000
Cash at bank and in hand	844	3,839	4,683
Total	844	3,839	4,683

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020

1. ACCOUNTING POLICIES

Basis of preparation

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

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

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

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

Going concern

The Directors have prepared budgets and projections taking into account possible changes to future income and expenditure, which show that the Trust is able to continue as a going concern for the foreseeable future. A reasonable worst-case set of assumptions, including Covid19 impacts has been considered in making this assessment. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements. The Directors have considered a period in excess of twelve months from the date of the approval of these financial statements in making their assessment. In particular, the Directors do not consider there to be any material uncertainties in regard to the Trust being able to operate as a going concern for the foreseeable future.

Fund accounting:

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020

Continued

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

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

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

Tangible fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Costs of maintenance are charged to revenue as they are incurred. Fixed assets below a de-minimis limit of £2,000 are not capitalised.
Assets in the course of construction are stated at cost less provision for impairment and are transferred to completed assets when substantially all the activities necessary to get the asset ready for use are complete. Cost includes externally incurred costs associated with the asset, including construction related project management costs, architectural fees and construction enabling works. Projects that are in the early stages of planning are capitalised when the Directors are satisfied that the necessary consents will be received and the projects will be completed. Each year the Directors review assets in the course of construction for any potential impairment and make provision if deemed necessary.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020

Continued

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

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

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

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

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

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

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

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

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

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

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 agreement 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020

2. Analysis of Prior Year Statement of Financial Activities

	Note	Un-Restricted Funds £'000	Restricted Funds £'000	Endow-ment Funds £'000	2019 Total £'000
INCOME FROM:					
Donations and legacies		701	121	-	822
Charitable activities		14,353	500	-	14,853
Other trading activities		385	-	-	385
Investments		26	-	-	26
Total Income		15,465	621	-	16,086
EXPENDITURE ON:					
Raising funds		(466)	-	-	(466)
Charitable activities		(16,229)	(426)	-	(16,655)
Other		(98)	-	-	(98)
Total Expenditure		(16,793)	(426)	-	(17,219)
Net gains on investments		(18)	-	-	(18)
Net (expenditure)/ income	4	(1,346)	195	-	(1,151)
Transfers between funds		(715)	(334)	1,049	-
Net movement in funds		(2,061)	(139)	1,049	(1,151)
Balances brought forward		4,497	991	13,415	18,903
Balances carried forward		2,436	852	14,464	17,752

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020

3. ANALYSIS OF EXPENDITURE

(a) Analysis of total expenditure:

	Staff costs £'000	Support costs £'000	Other direct costs £'000	2020 Total £'000	2019 Total £'000
Unrestricted funds					
Expenditure on raising funds	268	92	52	412	466
Expenditure on Charitable activities	12,335	1,675	2,270	16,280	16,229
Other expenditure	-	-	70	70	98
Total unrestricted expenditure	12,603	1,767	2,392	16,762	16,793
Restricted funds					
Charitable activities	48	-	254	302	426
Total restricted expenditure	48	-	254	302	426
Total expenditure	12,651	1,767	2,646	17,064	17,219

(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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020

4. NET INCOME/(EXPENDITURE)

Net expenditure is stated after charging/(crediting):

	2020 £'000	2019 £'000
Auditors' remuneration – audit services	19	18
Auditors' remuneration – assurance services	1	1
Depreciation	920	841
Hire costs	15	15
Profit on disposal of endowment land	(3,087)	-

During the year, the Trust entered into a conditional agreement to sell c33 acres of its land to Bloor Homes Limited. The agreement allows for the sale of this 33 acres in discrete tranches, with the sale of each tranche being linked to, and conditional on, the Trust entering into legally binding contracts for the construction of individual elements of Project Transformation.

The Trust obtained outline planning consent for Project Transformation in April 2020, satisfying the first key condition of the agreement and consequently the first tranche of the land sale was completed on 1st July 2020. This resulted in the legal transfer of approximately three acres of land to Bloor Homes Limited. The income received in respect of this initial land transfer was £3,267,000.

The Trust has incurred £1,858,000 of costs in concluding an agreement for the disposal of the 33 acres of land. These costs include legal costs in relation to the sale agreement, planning advisory and consultancy costs, associated legal and planning application fees in progressing the planning application through its various stages, including the costs of the public planning inquiry in 2019, and land agent fees. These costs have been capitalised within assets under construction. These costs will be expensed to the Statement of Financial Activities in line with the proportion of land that is sold and consequently, an amount of £180,000 has been deducted from the proceeds of the land transfer in arriving at the net profit on the sale of endowment land as recorded in the Statement of Financial Activities for the year ended 31st August 2020.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020

5. EMPLOYMENT COSTS

	2020 £'000	2019 £'000
Wages and salaries	11,135	11,410
Social security costs	881	885
Pension contributions	635	518
	12,651	12,813

The average monthly number of employees in the year was 575 (2019: 617), of which 34 were qualified teachers and 37 were bank staff (2019: 37 and 44 respectively) without specified contractual hours. As at 31 August 2020, the total number of employees was 592 (2019: 610).

Neither the Directors nor persons connected with them received any remuneration or other benefits. The sum of £nil (2019: £563) was reimbursed for travel expenses incurred by nil (2019: 2) Directors during the year.

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

	2020 Number	2019 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	2	2
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1

The amount of pension contributions paid into the Pension Scheme for these individuals amounted to £82,000 (2019: £56,000).

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 £502,000 (2019: £512,000).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020

6. FIXED ASSETS

	Freehold land & buildings £'000	Sports pitch, Sports hall, Hydro & Swimming pool £'000	Motor vehicles £'000	Fixtures & equipment £'000	Assets under Construction £'000	Total £'000
Cost						
At 1 September 2019	14,757	2,151	350	2,635	2,992	22,885
Additions	-	23	114	29	152	318
Disposals	(1)	-	(14)	-	(180)	(195)
Transfers	-	-	-	-	-	-
At 31 August 2020	14,756	2,174	450	2,664	2,964	23,008
Depreciation						
At 1 September 2019	4,373	1,065	305	2,220	-	7,963
Charge for the year	514	92	60	254	-	920
Disposals	-	-	(14)	-	-	(14)
At 31 August 2020	4,887	1,157	351	2,474	-	8,869
Net book value						
At 31 August 2020	9,869	1,017	99	190	2,964	14,139
At 31 August 2019	10,384	1,086	45	415	2,992	14,922

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
Continued

7. FIXED ASSET INVESTMENTS

MARKET VALUE

	Listed investments £'000
At 1 September 2019	987
Additions	-
Disposal proceeds	(717)
Revaluation gains - realised	103
Revaluation gains – unrealised	(124)
At 31 August 2020	249
Historic cost	245

Cash awaiting investment by the investment portfolio manager is treated as cash and bank balances.

Of the £249,000 listed investments, £Nil (2019: £170,000) is held in overseas investments.

The following investments have a market value at 31 August 2020 exceeding 5% of the value of the portfolio.

	Units	Market Value £'000
Castlefield Managed Multi-asset Fund	108,150	249

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
Continued

8. DEBTORS

	2020 £'000	2019 £'000
Fees	2,716	3,419
Accrued income	265	282
Other debtors and prepayments	167	233
	3,148	3,934

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

9. CREDITORS: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	269	485
Taxation and Social Security	209	231
Deferred income	1,526	1,527
Other creditors and accruals	439	692
	2,443	2,935

Deferred income:	2020 £'000	2019 £'000
Balance at 1 September	1,527	173
Amount released to income	(1,527)	(173)
Amount deferred in year	1,526	1,527
Balance at 31 August	1,526	1,527

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
Continued

10. ALLOCATION OF THE CHARITY'S NET ASSETS

As at 31 August 2020	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Endowment funds	13,850	-	2,546	16,396
Restricted funds	-	-	829	829
Unrestricted funds	289	249	1,463	2,001
Unrestricted designated	-	-	550	550
Total net assets	14,139	249	5,388	19,776

As at 31 August 2019	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Total £'000
Endowment funds	14,464	-	-	14,464
Restricted funds	-	-	852	852
Unrestricted funds	458	987	441	1,886
Unrestricted designated	-	-	550	550
Total net assets	14,922	987	1,843	17,752

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
Continued

11. ENDOWMENT FUNDS

	Balance at 1 September 2019	Income	Expense	Transfers	Balance at 31 August 2020
	£'000	£'000	£'000	£'000	£'000
Royal Schools for the Deaf Endowment	14,464	3,087	-	(1,155)	16,396
	14,464	3,087	-	(1,155)	16,396

	Balance at 1 September 2018	Income	Expense	Transfers	Balance at 31 August 2019
	£'000	£'000	£'000	£'000	£'000
Royal Schools for the Deaf Endowment	13,415	-	-	1,049	14,464
	13,415	-	-	1,049	14,464

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, £1,155,000 has been transferred from endowment funds to unrestricted reserves during the year, partly reflecting the depreciation charge during the year on land and buildings, net of land and buildings additions.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
Continued

12. RESTRICTED FUNDS

	At 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 August 2020 £'000
CADS™	-	88	(62)	-	26
Care – Christmas and holiday	-	35	(33)	-	2
New Mini Bus	54	-	-	(54)	-
Stay & Play	14	-	(2)	-	12
Tele-Practice Project	33	-	(18)	-	15
Transforming Lives Appeal Phase 2	494	-	-	-	494
Sundry Funds	257	240	(187)	(30)	280
	852	363	(302)	(84)	829

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.

CADS™	Funding to enable additional participation in CADS events
Care – Christmas and holiday	Funding for Christmas presents and party for students and families, and for holiday break for residential students
New Mini Bus	Funding for a replacement mini bus for use by school and college students
Stay & Play	Donations received for the delivery of a stay and play pilot scheme
Tele-Practice Project	Funding for start-up costs in developing a pilot of early intervention, remote assessment and tele-practice working methodologies
Transforming Lives Appeal Phase 2	Donations and grants received and receivable towards the second phase of the Transforming Lives Appeal

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
Continued
12. RESTRICTED FUNDS (continued)

	At 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 August 2019 £'000
CADS™	51	45	(104)	8	-
New Mini Bus	-	54	-	-	54
Stay & Play	23	-	(9)	-	14
Stoller CT Short Breaks	9	-	(9)	-	-
Summer House	17	-	(31)	14	-
Tele-Practice Project	48	-	(15)	-	33
Transforming Lives Appeal Phase 2	638	236	(32)	(348)	494
Sundry Funds	205	286	(226)	(8)	257
	991	621	(426)	(334)	852

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2020
Continued

13. UNRESTRICTED FUNDS

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment gains £'000	Balance at 31 August 2019 £'000
Designated Strategy Development	1,917	550	-	(1,917)	-	550
Unrestricted funds	2,580	14,915	(16,793)	1,202	(18)	1,886
	4,497	15,465	(16,793)	(715)	(18)	2,436

Unrestricted designated

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

Unrestricted

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

14. OTHER FINANCIAL COMMITMENTS

At 31 August 2020, total commitments under non-cancellable operating leases are as follows:

	Other	
Amounts payable within	2020	2019
	£'000	£'000
Less than 1 year	15	15
Two to five years	33	48

15. CAPITAL COMMITMENTS

Amounts contracted for but not provided for in the financial statements amounted to £976,000 (2019: £nil) 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.

17. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 23 April 2019. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

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

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

The pensions charge includes net contributions payable to the TPS fund of £278,000 (2019: £210,000). Contributions payable to the scheme at the year-end amounted to £40,000 (2019: £37,000).

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 £357,000 (2019: £308,000). Contributions payable to the scheme at the year-end amounted to £59,000 (2019: £56,000).

18. RELATED PARTY TRANSACTIONS

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