

Company Registration Number: 07487455 (England and Wales)

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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



SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Governors

Mrs F A Edwards, Chair of Governors (resigned 1 January 2018)
Dr L M Barnard, Partnership Governor (resigned 18 September 2018)
Ms F J Brierley, Headteacher and Accounting Officer
Mr T M Andrews, Staff Governor
Mr A J Bacon, Chair of Governors and Chair of Finance Committee (appointed 1 January 2018)
Miss D Brown, Parent Governor
Mr A Chaudry, Community Governor (resigned 27 March 2018)
Mrs A Creak, Parent Governor
Ms L H Fernando, Parent Governor
Ms Z Goodwin, Community Governor (resigned 5 September 2017)
Mrs A J Leman, Staff Governor
Mr J Perry, Parent Governor, Vice Chair of Governors, Chair of Student Matters and Curriculum Committee and Chair of Premises, Health & Safety Committee
Mrs L Traynor, Parent Governor, Chair of Pay and Personnel Committee
Dr J A Ladner (appointed 28 November 2017)
Mrs A Slotwinska (appointed 30 January 2018)

Company registered number

07487455 (England and Wales)

Company name

Southend High School for Girls Academy Trust

Principal and registered office

Southchurch Boulevard
Southend-on-Sea
Essex
SS2 4UZ

Company secretary

Mr S S Caink (resigned 15 May 2018), Mrs A Clarke (appointed 15 May 2018)

Senior leadership team

Ms F J Brierley, Headteacher and Accounting Officer
Mrs D Butt, Deputy Headteacher
Mr L Boney, Deputy Headteacher
Mrs P Bowman, Assistant Headteacher and Director of Southend SCITT
Mrs A J Leman, Assistant Headteacher
Miss H P Riebold, Head of Sixth Form
Mr S S Caink (resigned 15 May 2018), Bursar and Chief Financial Officer
Mrs A Clarke (appointed 15 May 2018), Director of Finance & Business and Chief Financial Officer

Independent auditors

MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditors
New Bridge Street House
30 - 34 New Bridge Street
London
EC4V 6BJ

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Advisers (continued)

Bankers

Lloyds TSB plc
77 High Street
Southend-on-Sea
Essex
SS1 1HT

HSBC plc
1-3 Broadway
London Road
Southend-on-Sea
Essex
SS1 1TJ

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors' present their annual report together with the financial statements and auditors' report of Southend High School for Girls Academy Trust for the year ended 31 August 2018. The annual report serves the purposes of a Trustees' Report, a Directors' Report and – where highlighted – a Strategic Report under company law.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on 10 January 2011 to take over the entire operational activities of Southend High School for Girls, a Foundation Grammar school first established in 1913. The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Governors (all Trustees) are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Southend High School for Girls.

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

Members Liability

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

Trustees' Indemnities

The Academy Trust maintains unlimited professional indemnity insurance for 2017/18. This covers the Academy Trust (including Governors, Trustees and teaching and administrative staff), for liability arising from negligent acts, errors and omissions committed in good faith.

Method of Recruitment and Appointment or Election of Trustees

The Chair of Governors and Headteacher review the mix of skills required on the Board. New Governors with the appropriate skills are then sought either as additional Governors or replacements when existing Governors stand down. It is anticipated that the majority of new Governors will be drawn from the local community being either parents, or guardians of pupils at the school, or others that have shown an interest in the future well-being of the school and its pupils. Recruitment is therefore through a combination of approaches to individuals with known skills and by wider communications to those parents of students at the Academy Trust. Parents with children registered at the school elect parent Governors. Employees of the Academy elect staff Governors.

The existing Governors appoint governors to the Board for initial periods of up to four years, after which time they are eligible for re-election for a further term/s. Parent Governors remain on the board for up to four years even if their daughter or son has left the school but must thereafter retire or be re-engaged in an alternative Governor's role. Staff have appointed two employees on to the Board. During 2016-17, the Articles of Association were amended to delete reference to Community and Partnership Governors, and instead permit the appointment of

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up to eight (general) Governors.

Policies and Procedures Adopted for the Induction and Training of Trustees

Individual Trustees attend training courses and conferences organised by the Local Authority and other appropriate bodies to help develop and maintain their knowledge relevant to the role. Briefings on subjects of common interest are arranged from time to time. New Governors are provided with an induction booklet and attend local authority induction. Annually, Governors receive a handbook on the school. In 2016 the Governing body undertook a self-review led by the National Governors Association. No areas of concern were highlighted.

Organisational Structure

The Governors have responsibility for setting and monitoring the overall strategic direction of the Charitable Company, approving decisions reserved to Governors and appointing key members of the Senior Leadership Team (SLT). The Governors meet as a Board five or six times each year.

There are four committees of the Board:-

- Student Matters and Curriculum
- Finance (which includes Audit responsibilities)
- Pay and Personnel
- Premises and Health & Safety

Each committee meets a minimum of three times every year to consider detailed matters and recommend decisions to the full Board.

Additionally, ad hoc groups of Governors are established to consider specific issues and make recommendations to the Board as and when circumstances require this.

The Governors on the Finance Committee collectively discharge the Responsible Officer function (on a rotational basis) and as such have oversight of the systems and processes of financial control and risk management that operate throughout the company.

Following a competitive tender, the Governing Body appointed MHA MacIntyre Hudson as auditor in 2014. They have since been appointed to report on the financial statements for the year ended 31 August 2018. MHA MacIntyre Hudson has also been engaged to advise management on accounting, taxation and other financial matters.

The management of the Charitable Company rests with the Headteacher who has overall responsibility for the Academy Trust and is the designated Accounting Officer. The Headteacher reports to the Governors and is responsible for establishing the Senior Leadership Team (SLT), which includes the Director of Finance and Business, Deputy Head Teachers and Assistant Head Teachers. The SLT occasionally co-opt senior staff for short periods to assist with specific projects and for developmental purposes. Representatives of the School Council are invited to attend SLT meetings to inform matters of concern to students.

The SLT line manages six Directors of Faculty who constitute the Faculty Board and lead the six Faculties. The Faculties are groupings of departments each of which teaches one or more curriculum subjects. The Academy's Associate Staff, (catering, site team, technicians and administrative staff) are line managed by designated individuals who in turn report to members of the SLT.

Each year the SLT meets to prepare a School Development Plan (SDP) in consultation with staff, parents and Governors. This is subsequently presented to Governors for consideration, challenge and approval. The plan

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details academic targets and includes strategic aims, as well as initiatives to further develop the school community. An objective of the SLT is to ensure all round excellence within the school and the best possible educational outcomes for students as well as good working conditions for staff. Once agreed, the SLT has responsibility for delivering the plan and reporting progress on a regular basis to the various committees, and ultimately to the Governors.

Coordinated with the objectives of the SDP is the annual financial plan and budget. This is the responsibility of the Headteacher and Director of Finance and Business who present it to the Finance Committee for consideration and challenge, prior to making a recommendation to the Governors. Once approved, the Director of Finance and Business monitors income and expenditure and regularly reports the financial status of the Academy Trust to the Headteacher, Finance Committee and full Governing Body.

Related Parties and other Connected Charities and Organisations

Southend High School for Girls Academy Trust is an independent company and not connected to any other business entity. It operates autonomously from any Local Authority.

The Headteacher is a member of the Southend-on-Sea Headteacher's Association and also the Grammar School Heads Association. She was chair of the Consortium of Selective Schools in Essex (CSSE) during 2016-17. The Headteacher of the Academy Trust is also the Accounting Officer of Southend School Centred Initial Teacher Training (SCITT) which is run as a department within the school. The school is a partner of South Essex Teaching School Alliance. The Academy Trust does not have representation in any commercial business.

The charity monitors business relationships with related parties through formal declarations of business interests. Mr A. Bacon, a Governor, is a Director of BTMK Solicitors Ltd, a firm which occasionally acts for the school in an advisory and legal capacity. Miss H Riebold, Assistant Headteacher and Head of Sixth Form, whose partner is a Director of Helium Fish Limited which designed the Sixth Form Prospectus.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Governors consider that the Key Management Personnel of the Academy comprise the Governors and the members of the Senior Leadership Team (SLT) as detailed on page 1.

The Pay and Personnel Committee comprises the Chair of Governors and five other Governors together with the Headteacher. This meets in the autumn term to consider the performance and progress of the school under the leadership of the Headteacher. Additional meetings of the Committee take place termly.

The Academy's Pay and Personnel Committee also considers recommendations from the Headteacher with regard to the emoluments and terms of service of members of the Senior Leadership Team. Those employed by the school in a leadership role are remunerated only for their function as school leaders and not for their roles as Governors of the School.

The Headteacher's emoluments are set and reviewed by the Headteacher's Performance Management Pay Committee comprising The Chair and Vice Chair of Governors along with one other Governor. The proposals put to the Committee are benchmarked to sector averages.

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Trade Union Facilitation Time Regulation

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an Academy Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, the following information must be published in in with Schedule 2 of the Regulations:

Number of employees who were relevant union officials during the relevant period

Full time equivalent employee number

2	2
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Percentage of time spent on facility time

0%
1%-50%
51% - 99%
100%

Number of employees

2

Percentage of pay bill spent on facility time

Provide the total cost of facility time

Total pay bill

Provide the percentage of total pay bill spent on facility time, calculated as (total cost of facility time / total pay bill *100)

£701
£4,922,217
0.014 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours * 100

0.00

Fundraising Standards Information

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices. Trustees have legal duties and responsibilities for charity fundraising.

The school's approach to fundraising is mainly focused on raising funds internally within the school. There is a Charity week annually with a variety of activities and during the year, for example sponsored walks. The funds raised go to the school and to many other charities to help those in need. Voluntary donations from Parents are received each year for the school.

The school asks the public for money on a few occasions per year for charity, for example a church carol service. All fundraising activities are approved by the Headteacher and there is a nominated member of staff responsible for the coordination of activities and agreeing the use of funds raised for charities.

The school does not use or work with commercial participators or professional fundraisers.

There have been no complaints received regarding the school's fundraising approach or activities.

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OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's object is to advance, for the public benefit, education in the United Kingdom. In particular, but without prejudice to the generality of the forgoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, Strategies and Activities

In accordance with its charitable objectives, the Academy Trust strives to advance the education of all its pupils. The Charitable Company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school.

The Academy Trust is aware that it has responsibilities to both the local and wider communities, it engages with local primary schools. Additionally students and staff are regularly involved with charitable fund raising activities; over £9,000 was raised for charitable causes during the year. The Academy Trust also coordinates student exchanges through mutually supportive relationships with several international schools. The school is the recipient of the International Schools Award and the Gold Artsmark Award.

In order to determine whether or not the Charitable Company has fulfilled its charitable objectives for public benefit, the Governors review progress made against targets set for the Headteacher, the School Development Plan, the budget and other evidence of the success of the Academy Trust's activities.

In order to provide exceptional learning opportunities for our students, management concentrate on four key priorities:

- **Outstanding teaching and learning:** the Academy Trust aims to provide outstanding teaching to promote intellectual challenge and the highest possible achievement for all students
- **Care for the Individual:** the structures and ethos of the Academy Trust ensure care for the individual and support for the learning of each student
- **A fit place to learn:** the Academy Trust aims to provide an inspirational, safe and well-run environment in which students can learn and grow
- **Aspirational leadership:** every leader in the Academy Trust keeps their area of responsibility under review, competing with the best.

Public Benefit

The Academy Trust presently has on roll 1,186 students aged between 11 and 18. The offer of a place at the school in Year 7 is dependent on students passing the 11+ examination. Normally some 700 girls apply for a place at age 11 and the Pupil Admission Number is 180. Priority is given to up to 135 girls whose parents live within a priority area defined by local postcodes SS0 to SS9, with the remainder accepted from outside this area. In 2018, the waiting list for September entry was 150. OFSTED presently rates the Academy Trust "Outstanding". The school achieves outstanding academic results. In 2018, 100% of students sitting GCSE examinations passed with five grades A*-C/ 4-9 including English and Mathematics. A third of students achieved A*/A,9-7 in all their subjects. Students at A level examination achieved a 100% pass rate with over ¾ of the grades being A*-B. Six students obtained places at Oxbridge, two have gone to study medicine, and one to

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study veterinary medicine. This year two have left the UK to study at university in the USA. The Academy Trust prides itself on its pastoral care and attention. In 2017-18 there was the introduction of both our HEART principles and of the Positive Mindset to learning initiative. At the end of the academic year the school was nominated for an award based on the work done across the whole school to support the students with a hearing impairment. The school has a national reputation for sports in particular athletics. Likewise in netball, SHSG was represented by teams in the national finals. Football and rugby were introduced in 2017-18 with the football team achieving first place in a regional competition.

Governors consider that such an education, delivered free of charge to the public, is evidence that the school operates for the public benefit.

There has been a great deal of work undertaken with primary schools, with the aim of encouraging more able girls to sit the 11+ by giving them an experience of lessons, subject and life at SHSG. Most faculties have delivered a Saturday morning session, whilst PE host a weekly netball coaching course. We delivered 11+ familiarisation courses to 60 Year 5 girls. In addition, there are ad hoc events such as an art afternoon to which local schools are invited.

STRATEGIC REPORT

The Governing Body's strategic aims are:

- To make the Academy Trust the preferred choice school for girls in Southend – once again, this year more able girls applied for admission to the Academy Trust than any other school in the priority area
- To transcend "outstanding"
- To move the Academy Trust into the top 25 state schools in the country – the Academy Trust is in the top 13 state schools for sports
- To remain financially solvent – the Academy Trust remains solvent and is sustained by adequate financial resources.

In view of the anticipated reduction in funding for the main school, various measures are being evaluated to enable the Academy Trust to continue in financial balance for the medium term without compromising the quality of teaching and learning and educational outcomes.

Achievements and performance

The Academy Trust was awarded the top grade of "outstanding" in all 31 inspections categories, in the last inspection by OFSTED in December 2011.

At Southend High School for Girls intellectual curiosity, learning and the development of skills are valued. SHSG students are challenged in lessons and beyond.

A group undertook World Challenge in Swaziland and Mozambique in summer 2018. There are numerous extra-curricular opportunities for all students in school from nature club through reading groups to Duke of Edinburgh and Arts mark (Bronze, silver and gold). Year 7 have established their own allotments and gardens. The economics department leads on the Students Investor Challenge, the MFL department work with students on competitions such as Language Perfect and English lead on the Have Your Say competition. A group of students

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participated in a Global Young Leaders Conference in Washington DC and New York.

The external examination results are excellent. The average GCSE grade was 7.24 and the P8 score was +0.71 (disadvantaged +0.76).

All subjects have established intervention and support strategies for those who are struggling to achieve their potential. In some cases, these involve open houses or peer mentoring. In Mathematics, a (moderated) peer-mentoring programme – 'Maths Angels' – has been developed and these angels now support a local primary school and young carers in Southend in the evening.

At the other end of the spectrum, the 'most able' are identified and have a range of challenges set within lessons. In the sixth form, students can undertake the EPQ (extended project qualification). 31 students wrote and presented an EPQ in 2018, 61% achieved A* or A grade. QI lectures were introduced during the year with visiting speakers from a range of universities. All year 10 and 6th form students also had the opportunity to visit one or more universities during the year.

Students are not only academically able, they also excel in sports. In 2017-18, both the Intermediate and Junior Athletics teams came second in the National Athletics Competition. In 2016-17, the school represented England at the World Schools Games held in Nancy, France and came a very credible seventh. The under 14's are Essex netball champions. For the second time a team managed to get through to the National Netball Finals. For 33 consecutive years, SHSG won the Borough sports trophy and all the individual events.

The Arts play an important part in the life of the school. Almost 90 girls achieved their bronze Arts Award with a further group achieving silver and two gold. We continue to take students on theatre trips to London and local venues. This year the house music prize was presented for the third time and the school presented Sister Act to packed out audiences on four nights. One of our choir ensembles competed in the regional and national competitions to be invited to perform at the Royal Albert Hall on two separate occasions, including the 'Music for Youth' prom. Our Big Band was invited to play in Disneyland Paris. The school is a regular participant at both Leigh and Southend Music Festivals.

All subjects undertake special activities to enhance the experience of students: for example, maths had ehler day and science had science week. Activities and competitions enabled students to engage with the subjects in different ways. English had a 'Speak Out' competition and visiting authors, plus theatre trips. The school continues very successful programmes of exchange visits and cultural visits to the European Continent. MFL (Modern Foreign Languages) this year went beyond gold to obtain twelve Elite Awards in the language perfect competition (including a student who was first in the whole competition) and an incredible 66 obtained Gold awards. In the final count SHSG was first in England and fourth worldwide. In the local 'Have your Say Competition' our teams won a record six out of 12 first places. To widen our scope of languages and participation this year we have continued with Japanese and introduced Russian language lessons. We host weekly evening classes in Spanish, French and German for the local community and run Italian classes for staff.

Year 7 has a non-timetabled day once a fortnight when they have cross-curricular activities to develop transferable skills, leadership and teamwork attributes.

Parents are engaged through the Parents' forum. Overwhelmingly the parents are supportive and appreciative of the school. Additionally, parents are asked to complete a questionnaire at every parents evening to allow all stakeholders to have a say in the development of the school. Again, the results are extremely positive but we also value any constructive criticism. The Student School Council meets monthly and reports to SLT. Their contributions are much appreciated with their focus on teaching and learning in addition to housekeeping issues.

The Academy Trust runs a School Centred Initial Teacher Training Programme (SCITT), which recruited trainees for the first time in 2014-15. 31 trainees completed the course in 2018, all achieved Qualified Teacher Status

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(QTS) and many obtained PGCE's with distinction and masters credits. The majority of trainees achieved the "outstanding" grade and are employed in partnership schools in Southend. Recruitment for 2017-18 resulted in 27 trainees embarking on teacher training. The SCITT was inspected by OFSTED in 2016-17 and was graded good. The only suggestion for improvement was to continue in the same manner. It was also inspected by the DfE in 2018 and regarded as exemplary.

The school had six key staff on maternity leave during the year; covering their absences was and still is difficult.

The school was successful in its bid for an eight-classroom block from the Education and Skills Funding Agency. The building works commenced during the year and are due to be completed in the Autumn term of 2018. The new block will enable the school to accommodate the increasing numbers of students admitted to years 7-11. In addition, a successful bid from the Wolfson Foundation has enabled the refurbishment of two laboratories. A third laboratory has been extended as has the media studies studio. Substantial fire safety work has taken place thanks to a successful CIF bid. The school has also strengthened security around the school for safeguarding purposes.

Key Performance Indicators

The Governors use the following key measures to assess the success of the activities of the Academy Trust:

Non-Financial Indicators

- Examination results measured against targets set at the beginning of each academic year and national benchmarks
- Progress made against the School Development Plan
- Internal departmental reviews by the SLT
- Written reports submitted by the Headteacher to Governors
- Curriculum review reports
- Visits by Governors
- Presentation to Governors by Lead Teachers
- External review by, for example, OFSTED

Financial Indicators

- Excellent liquidity as evidenced by a current ratio of 2.3:1
- Sizeable Net Assets of £9.68m (despite LGPS pension liability of £2.25m)
- There is a significant deficit of £2.25m in the valuation of the Local Government Pension Scheme liabilities
- Student numbers have risen from 1,034 in 2014 to 1,186 in September 2018. This will have a positive effect on funding in Financial year 2018/19
- Staff costs rose by 6.8% during the year under review
- A balanced budget has been set for 2018-2019

Going Concern

The Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operation for the near future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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FINANCIAL REVIEW

The UK government continues to maintain tight control over public spending and this is reflected in the modest increase in General Annual Grant (GAG) funding received during the year. GAG funding is lagged and determined by the number of students on roll in the previous autumn term. SHSG's student numbers increased to 1,189 and this contributed to an increase in the school's principal revenue stream, to £5.056m.

During the year Pupil Premium income rose slightly to £65k. Income generated by the school from: - donations, lettings and trips remained at similar levels to the previous year, while catering income rose 5.7% to £238k.

Following a successful bid for capital grant funding from the ESFA of £2.6m in 2016/17, a new eight-classroom block has continued to be constructed during 2017/18. The completion date of this development was 26th October 2018. Overall income (including capital funding) rose £2.327m to £8.716m.

Staffing costs represent the Academy's largest expense. All staff received a 1% pay increase and several were promoted to more senior positions resulting in higher basic salaries. During the year new teachers were engaged, contributing to an overall increased amount paid for: - salaries, pensions, maternity supply cover, national insurance and pensions of 6.8% to £4.922m. Of this sum £85k was re-charged to our SCITT resulting in 96% of SHSG GAG being used to fund staff salary expenses.

During the year expenditure on school premises rose £24k to £311k, governance costs reduced to £46k and depreciation reduced marginally to £204k. The SCITT decreased retained earnings by £10k to £104k. This sum is ring-fenced for training new teachers within our overall fund balance.

The Academy enjoys excellent liquidity and held cash balances of £1.26m at the year-end. Other current assets consist mainly of deposits paid for school trips due to take place in the next financial year, and VAT to be refunded from HMRC. Creditors represent payments received in advance for student trips, activities and music lessons that will take place in the next academic year, as well amounts due to HMRC as PAYE taxation from the August 2018 salaries, and contributions into the two main school pension schemes. At the year-end current assets exceeded current liabilities by 2.3:1.

During the year the Academy spent £2.309m on capital items. £1.768m was spent on the new classroom block development. £310k was spent on the renovation of the science laboratories, office and media classroom. The new fire alarm and emergency lighting systems cost £183k. Other expenditure included a grand piano £8.5k, a new photocopier £8.6k, a hot water boiler for the Sports/Technical building £8.6k, a new boiler for the Caretaker's house £3.8k and new tractor for £6.4k.

Note 23 to these accounts provides details of the Local Government and Teachers' Pension Schemes, and reports on valuation changes that have arisen during the year. Naturally the overall fund values change in line with investment and pension payments to retired members. During the year the Academy contributed £647k into these two schemes. As the defined benefit obligation of the LGP Scheme reduced by £40k and the scheme valuation reduced by less, (£214k), the Academy benefitted from an improvement of £254k in asset value.

Aggregate income of £8.716m is considerably higher than the expenditure (excluding depreciation) of £6.770m. After accounting for depreciation of fixed assets amounting to £204k, net income totalled £1.743m before improvements in the Academy's LGPS obligation resulted in a large increase of £16.7k in Net Assets to £9,679m.

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Reserves Policy

In common with other state funded schools, many academies' support staff are members of the Local Government Pension Scheme in which there is a significant funding deficit. Details of this obligation and the actuarial assumptions underpinning the valuation of the liability are shown in the notes to the accounts. Although a significant liability, under present arrangements the deficit is being funded through additional contributions over a twenty-year period. These amounted to £62.8k during the year under review. The Governors are satisfied that funding of the liability does not present a current solvency risk for the school, or prevent the school from meeting its charitable objectives in the foreseeable future. The Governors will keep the pension obligation under review although have very limited ability to influence or manage the existing obligation. The deficit would of course be reduced if the underlying value of assets invested in the managed scheme increase, or liabilities decrease.

After careful analysis of its cashflow and financial obligations expected in the medium term the Academy has concluded that the adequate range of reserves should be in the region of £500,000 of combined Restricted General Funds (excluding designated funds, the pension reserves and retained earnings ascribed to the SCITT) and Unrestricted Funds. At the year end the combination of the Restricted General Funds and Unrestricted Funds amounted to £253,842. The £500,000 designated fund is a reserve held specifically for investment in future educational projects and is therefore not included in this calculation. The Governors believe that the current level of reserves comfortably satisfies this target.

Investment Policy

The Director of Finance and Business is authorised to place funds on deposit in interest bearing accounts with first class UK domiciled banks rated AA or better by Moody's and Standard and Poors. Any other form of financial investment will only be made with the approval of the Governing Body.

Principal Risks and Uncertainties

The Governing Body is of the view that there is a robust formal on-going risk management process for identifying, evaluating and managing the Academy Trust's significant risks, and that this system has been in place throughout the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. Finance Committee Members have drawn up a schedule of Responsible Officer checks that is used to ensure that staff within the school are closely monitoring income, expenditure, payroll procedures, data protection and fixed assets.

The Trustees consider the following key risks:

Key Risks	Remedial Strategy
Safeguarding of the School's Students	This risk is covered by a wide range of School policies and procedures including DBS checks performed on all staff and volunteers, and rigorous Health and Safety policies and procedures.
Stagnant government funding whereas staff costs increasing	Concentrating on student recruitment to maximise per-pupil income, increasing self-generated revenue and careful cost control
Competition from other local grammar schools	Delivery of a first class education in order to attract the most able students.
Staff recruitment	Establishment of Southend SCITT to train and attract graduate teachers into the teaching profession.
Ageing classroom estate	Plans are in place to modernise buildings and extend classroom footprint.
Government position with regard to Grammar Schools is unclear.	Governors and SLT monitor public perception.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The risk management process is regularly reviewed by the Governing Body. The Academy Trust has a Risk Register and categorises each identified risk under one of the following headings: - Governance & Management, Operational, Financial, Environmental, and Compliance. The risks are then allocated to an appropriate Governor Committee for regular review and monitoring along with the measures that have been implemented to mitigate those risks. Governors ensure that the Headteacher and Senior Leadership Team are appropriately skilled and equipped to perform their duties and in particular that there is active monitoring of Teaching & Learning throughout the Academy Trust. The Academy Trust has an excellent reputation as an outstanding grammar school and is heavily oversubscribed. This is important because income, (although effectively assured as it emanates from the public purse) is largely dependent upon student numbers. Strong demand for places at the school depends upon the reputation of the school, its examination results, the quality of its extra-curricular activities, its attention to pastoral matters and the quality of its premises, as well as regional demographics.

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes comprehensive budgeting and monitoring systems, with an annual budget and periodic financial reports that are reviewed and endorsed by the Governing Body. The Finance Committee regularly review financial performance against the budget, monitor major purchase plans, capital works and expenditure programmes. Each year the Committee also reviews the school's Financial Regulations, which detail financial procedures, define revenue and capital expenditure, purchasing procedures, set out appropriate delegations of authority and segregations of duties.

PLANS FOR FUTURE PERIODS

Each year the Governors approve a School Development Plan that is proposed by the Headteacher after discussion with the Senior Leadership Team. The key objectives are to strengthen teaching and learning for our students and to improve attainment in public examinations.

The construction of a new eight classroom-teaching block is currently being developed and expected to be completed in the Autumn Term 2018. Other key aims for site staff will be to gradually upgrade our boilers and roofs, continue to improve our stock of ageing rooms and to modernise the buildings.

The Academy has expanded by taking-on an additional 30 students in each of the last four years and this growth will continue for another year. The income for the extra students each year is received in arrears.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Other than funds donated to the Academy's prize fund in order to award prizes to successful students, 6th form bursaries and restricted funding received for Southend SCITT, the Academy does not hold cash or assets as a custodian for any third party.

In the event that the SCITT ceases to be operated by the Academy any residual funding received for Teacher Training in Southend will be passed to its successor, or returned to the Department for Education. At the year-end, the Academy held funds to the value of £104k for Southend SCITT.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

Statement of Disclosure to the Auditor

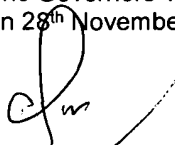
In so far as, the Trustees, being Directors under the Companies Act, are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees/Directors have taken all steps that they ought to have taken as Trustees/Directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of Auditors

At their meeting held on 28th November 2018 the Trustees confirmed the reappointment of MHA MacIntyre Hudson as auditor of the Academy for financial year 2018/19.

The Governors' Report, incorporating a Strategic Report, was approved by the Board of Governors, as Directors, on 28th November 2018 and signed on the Board's behalf by:



A. J. Bacon
Chair of Governors

28th November 2018

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge that we have overall responsibility for ensuring that Southend High School for Girls Academy Trust has effective and appropriate systems of control, financial and otherwise. However, such systems are designed to manage, rather than to eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of regularity, propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Southend High School for Girls Academy Trust and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Trustees hold an Annual General Meeting (AGM) once a year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Attended	Out of
Mr TM. Andrews, Staff Governor	1	1
Mr AJ. Bacon (Appointed Chair 01.01.18)	1	1
Dr LM. Barnard	1	1
Ms FJ. Brierley, Headteacher	1	1
Miss D. Brown	1	1
Mr A. Chaudry (Resigned 27.03.18)	1	1
Mrs A. Creak	0	1
Mrs FA. Edwards (Resigned 01.01.18)	1	1
Ms LH. Fernando	1	1
Dr. JA. Ladner (Appointed 28.11.17)	1	1
Mrs AJ. Leman, Staff Governor (Re-elected 28.11.17)	1	1
Mr J. Perry	0	1
Mrs A. Slotwinska (Appointed 30.01.18)	0	1
Mrs L. Traynor	1	1

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A company limited by guarantee)

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Members held one meeting during the year. Attendance during the year at meetings of the Board of Members was as follows:

Members	Attended	Out of
Mr TM. Andrews, Staff Governor	1	1
Mr AJ. Bacon (Appointed Chair 01.01.18)	1	1
Dr LM. Barnard	1	1
Ms FJ. Brierley, Headteacher	1	1
Miss D. Brown	1	1
Mr A. Chaudry (Resigned 27.03.18)	1	1
Mrs A. Creak	0	1
Mrs FA. Edwards (Resigned 01.01.18)	1	1
Ms LH. Fernando	1	1
Mrs. AJ. Ladner (Appointed 28.11.17)	1	1
Mrs AJ. Leman, Staff Governor (Re-elected 28.11.17)	1	1
Mr J. Perry	0	1
Mrs A. Slotwinska (Appointed 30.01.18)	0	1
Mrs L. Traynor	1	1

The Governors held six meetings during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Attended	Out of Meetings
Mr TM. Andrews, Staff Governor	5	6
Mr AJ. Bacon (Appointed Chair 01.01.18)	5	6
Dr LM. Barnard	4	6
Ms FJ. Brierley, Headteacher	6	6
Miss D. Brown	3	6
Mr A. Chaudry, (Resigned 27.03.18)	3	3
Mrs A. Creak	2	6
Mrs FA. Edwards (Resigned 01.01.18)	2	2
Ms LH. Fernando	6	6
Mrs. AJ. Ladner (Appointed 28.11.17)	5	5
Mrs AJ. Leman, Staff Governor (Re-elected 28.11.17)	6	6
Mr J. Perry	6	6
Mrs A. Slotwinska (Appointed 30.01.18)	4	4
Mrs L. Traynor	5	6

The Finance Committee is a sub-committee of the main Board of Governors. Its principal purpose is to oversee and protect the financial position of the school by considering the budget each year, monitoring income and expenditure against the budget, reviewing reports from the finance team and the programme of internal audit, offering guidance and support to the Headteacher and Director of Finance and Business. The Academy's Risk Register is regularly reviewed by the various Committees and by the Board of Governors. The Financial risks were last assessed on 25 April 2018.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Attendance by governors at meetings of the Finance Committee in the year was as follows:

Governor	Meetings attended	Out of
Dr LM. Barnard	3	5
Mr AJ. Bacon	3	3
Ms FJ. Brierley	5	5
Miss D. Brown	4	5
Mr A. Chaudry	2	3
Mrs A. Creak	1	5
Mrs FA. Edwards	2	2
Ms LH. Fernando	5	5
Mrs A. Slotwinska	3	3

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Holding a tender before appointing the contractor to carry out the improvement works to three laboratories, an office and Media classroom and also for the fire works project.
- Regularly reviewing contracts, obtaining like-for-like quotations from different sources and changing suppliers where appropriate.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve aims and objectives and comply with policies; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Southend High School for Girls Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Governors.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A company limited by guarantee)

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018**

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports that are reviewed and agreed by the Board of Governors;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed a team of Governors to carry out a programme of internal checks. The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

During the year under review members of the Finance Committee have conducted Responsible Officer control checks on the processing and tracking of: - asset management, purchasing and payment systems, arrangements for paying staff through an external payroll provider, and Data Protection.

The Chair of the Finance Committee reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

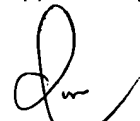
REVIEW OF EFFECTIVENESS


As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the last year, the review has been informed by:

- the work of the Finance Committee Members
- the work of the external auditor;
- the work of the Chief Financial Officer and executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of the reviews of the systems of internal control by the Responsible Officer and Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board of Trustees on 28th November 2018 and signed on its behalf by:


A. J. Bacon
Chair of Trustees


F. J. Brierley
Accounting Officer

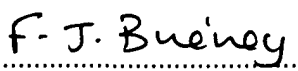
SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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


.....
F J Brierley
Accounting Officer

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

The Trustees (who act as Governors of Southend High School for Girls Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the Financial Statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

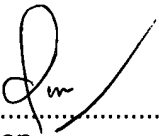
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the Members of the Board of Governors on 28 November 2018 and signed on its behalf by:


.....
A. Bacon
Chair of Governors

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST**

OPINION

We have audited the Financial Statements of Southend High School for Girls Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities (Incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Governors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Governors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Academy Trust'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.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

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

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

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST**

RESPONSIBILITIES OF GOVERNORS

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditors

New Bridge Street House
30 - 34 New Bridge Street
London
EC4V 6BJ

Date: 20 December 2018

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 December 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Southend High School for Girls Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Southend High School for Girls Academy Trust's funding agreement with the Secretary of State for Education dated 6 January 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(continued)

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

CONCLUSION

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

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditors

New Bridge Street House
30 - 34 New Bridge Street
London
EC4V 6BJ

Date: *20 December 2018*

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	51,224	-	2,136,861	2,188,085	234,177
Charitable activities	3	468,084	5,181,542	-	5,649,626	5,391,751
Teaching school	28	-	687,936	-	687,936	599,359
Other trading activities	4	188,441	-	-	188,441	161,819
Investments	5	2,313	-	-	2,313	1,834
TOTAL INCOME		710,062	5,869,478	2,136,861	8,716,401	6,388,940
EXPENDITURE ON:						
Raising funds	6	123,617	-	-	123,617	99,688
Charitable activities	7	338,192	5,619,779	203,983	6,161,954	5,919,660
Teaching school	28	-	688,139	-	688,139	588,874
TOTAL EXPENDITURE	6	461,809	6,307,918	203,983	6,973,710	6,608,222
NET BEFORE TRANSFERS		248,253	(438,440)	1,932,878	1,742,691	(219,282)
Transfers between Funds	17	(285,501)	-	285,501	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(37,248)	(438,440)	2,218,379	1,742,691	(219,282)
Actuarial gains on defined benefit pension schemes	23	-	469,000	-	469,000	236,000
NET MOVEMENT IN FUNDS		(37,248)	30,560	2,218,379	2,211,691	16,718
RECONCILIATION OF FUNDS:						
Total funds brought forward		784,020	(2,173,691)	8,856,635	7,466,964	7,450,246
TOTAL FUNDS CARRIED FORWARD		746,772	(2,143,131)	11,075,014	9,678,655	7,466,964

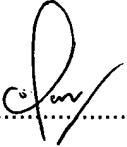
The notes on pages 29 to 54 form part of these Financial Statements.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07487455 (ENGLAND AND WALES)

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		10,904,137		8,799,336
CURRENT ASSETS					
Debtors	15	574,445		89,669	
Cash at bank and in hand		1,260,747		1,408,247	
		<u>1,835,192</u>		<u>1,497,916</u>	
CREDITORS: amounts falling due within one year	16	(806,674)		(322,288)	
NET CURRENT ASSETS			<u>1,028,518</u>		<u>1,175,628</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,932,655</u>		<u>9,974,964</u>
Defined benefit pension scheme liability	23		<u>(2,254,000)</u>		<u>(2,508,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>9,678,655</u></u>		<u><u>7,466,964</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted general funds	17	110,869		334,309	
Restricted fixed asset funds	17	11,075,014		8,856,635	
		<u>11,185,883</u>		<u>9,190,944</u>	
Restricted funds excluding pension liability					
Restricted general funds - pension reserve		<u>(2,254,000)</u>		<u>(2,508,000)</u>	
Total restricted funds			<u>8,931,883</u>		<u>6,682,944</u>
Unrestricted funds	17		<u>746,772</u>		<u>784,020</u>
TOTAL FUNDS			<u><u>9,678,655</u></u>		<u><u>7,466,964</u></u>

The Financial Statements on pages 26 to 54 were approved by the Governors, and authorised for issue, on 28 November 2018 and are signed on their behalf, by:



A Bacon
Chair of Governors

The notes on pages 29 to 54 form part of these Financial Statements.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>22,110</u>	<u>21,399</u>
Cash flows from investing activities:			
Investment income		2,313	1,834
Purchase of tangible fixed assets		(2,308,784)	(130,524)
Capital grants from DfE Group		<u>2,136,861</u>	<u>187,823</u>
Net cash (used in)/provided by investing activities		<u>(169,610)</u>	<u>59,133</u>
Change in cash and cash equivalents in the year		(147,500)	80,532
Cash and cash equivalents brought forward		<u>1,408,247</u>	<u>1,327,715</u>
Cash and cash equivalents carried forward	20	<u><u>1,260,747</u></u>	<u><u>1,408,247</u></u>

The notes on pages 29 to 54 form part of these Financial Statements.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Southend High School for Girls Academy Trust constitutes a public benefit entity as defined by FRS 102. The Financial Statements are prepared in sterling which is the functional currency of the Academy Trust and rounded to the nearest pound.

Southend High School for Girls Academy Trust is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Academy Trust's operation and principal activity are detailed in the Governors' Report.

1.2 Going concern

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

1.3 Fund accounting

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

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

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

Designated funds are unrestricted funds set aside by the Trustees for specific educational projects.

Investment income, gains and losses are allocated to the appropriate fund.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance related conditions, there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Where the School has control over the operation of School Centred Initial Teacher Training (SCITT), the charitable income and expenditure for the programmes are included within the Statement of Financial Activities (as part of its Teaching School activities within Restricted General Funds).

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, transfers are made to the restricted fixed asset fund.

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

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

Freehold buildings	-	50 years straight line, 20 years straight line for temporary structures
Plant and machinery	-	6 years straight line
Motor vehicles	-	6 years straight line
Fixtures and fittings	-	6 years straight line
Computer equipment	-	5 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.7 Taxation

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

1.8 Debtors

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

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Agency arrangements

The Academy Trust acts as an agent in collecting and distributing charitable donations raised by students. Donations are banked by the Academy Trust and subsequent payments made to charitable organisations are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the application of the funds. Where funds have not been fully applied in the accounting period then an amount will be included as other creditors.

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Any change in the valuation of Freehold Property (see note 14) would impact the total net assets of the Academy Trust.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	51,224	-	-	51,224	46,354
Capital grants	-	-	2,136,861	2,136,861	187,823
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	51,224	-	2,136,861	2,188,085	234,177
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	46,354	-	187,823	234,177	
	<hr/>	<hr/>	<hr/>	<hr/>	

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. CHARITABLE ACTIVITIES - FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,056,410	5,056,410	4,855,008
Pupil Premium	-	65,284	65,284	58,807
DfE/ESFA Revenue Grants	-	18,826	18,826	-
	-	5,140,520	5,140,520	4,913,815
Other Government grants				
Local Authority Revenue Grants	-	20,604	20,604	-
	-	20,604	20,604	-
Other funding				
Catering income	238,098	-	238,098	225,194
School trips	196,306	20,418	216,724	233,624
Other income	33,680	-	33,680	19,118
	468,084	20,418	488,502	477,936
Total 2018	468,084	5,181,542	5,649,626	5,391,751
Total 2017	450,737	4,941,014	5,391,751	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	43,313	-	43,313	30,697
Catering income	6,444	-	6,444	6,716
Other self generated income	138,684	-	138,684	124,406
Total 2018	188,441	-	188,441	161,819
Total 2017	161,819	-	161,819	

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	2,313	-	2,313	1,834
Total 2017	1,834	-	1,834	

6. TOTAL EXPENDITURE

	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds	61,522	-	62,095	123,617	99,688
Charitable activities:					
Direct costs	3,842,175	-	756,930	4,599,105	4,448,264
Support costs	933,511	523,860	105,478	1,562,849	1,471,396
Teaching schools	85,009	-	603,130	688,139	588,874
Total 2018	4,922,217	523,860	1,527,633	6,973,710	6,608,222
Total 2017	4,608,410	502,862	1,496,950	6,608,222	

In 2017, of the total expenditure of £6,608,222, £565,085 was from unrestricted funds, £5,835,913 was from restricted general funds and £207,224 was from restricted fixed asset funds.

7. ANALYSIS OF EXPENDITURE BY CHARITABLE ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	4,599,105	1,562,849	6,161,954	5,919,660
Total 2017	4,448,264	1,471,396	5,919,660	

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

8. TOTAL SUPPORT COSTS

	Raising funds £	Educational operations £	Total 2018 £	Total 2017 £
Defined benefit pension scheme finance cost	-	64,000	64,000	55,000
Premises costs	-	310,885	310,885	286,601
Governance costs	-	45,744	45,744	50,214
Other costs	-	68,726	68,726	73,563
Support staff costs	61,522	869,511	931,033	850,646
Depreciation	-	203,983	203,983	207,224
Total 2018	61,522	1,562,849	1,624,371	1,523,248
Total 2017	51,852	1,471,396	1,523,248	

9. GOVERNANCE COSTS

	2018 £	2017 £
Legal and professional fees	27,919	35,264
Auditors' remuneration - Audit of the Financial Statements	10,500	10,500
Auditors' remuneration - Other services	5,325	4,450
Auditors' remuneration - Other services prior year under provision	2,000	-
Total	45,744	50,214

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	203,983	207,224
Auditors' remuneration - Audit of the Financial Statements	10,500	10,500
Auditors' remuneration - Other services	5,325	4,450
Auditors' remuneration - Other services prior year under provision	2,000	-
Auditors' remuneration - Other services (Teaching School)	2,570	2,570

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	As restated
	£	2017
		£
Wages and salaries	3,559,925	3,469,009
Social security costs	358,948	317,667
Pension costs	797,837	709,100
	4,716,710	4,495,776
Supply teacher costs	141,507	57,634
Defined benefit pension scheme finance cost	64,000	55,000
	4,922,217	4,608,410

The comparatives have been restated this year to include SCITT expenditure relating to staff costs. The effect of this has been to increase wages and salaries by £73,444 and reduce other direct costs by £73,444. The comparison for social security costs has also increased by £1,085 as the apprenticeship levy is now included in this figure instead of being split out separately as per the Academy Accounts Direction for 2018.

None of these changes have an effect on the Academy Trust's surplus for 2016/17 or funds as at 31 August 2017.

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	88	85
Administration and support	56	54
Invigilators	21	18
Management	7	7
	172	164

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

11. STAFF COSTS (continued)

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £90,001 - £100,000	0	1
In the band £110,001 - £120,000	1	0

The above employees participated in both the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2018 pension contributions for these staff members amounted to £51,488 (2017 - £48,097).

d. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Governors and the Senior Leadership Team. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by Key Management Personnel for services to the Academy Trust was £623,005 (2017 - £536,604).

12. GOVERNORS' REMUNERATION AND EXPENSES

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

		2018	2017
		£	£
F J Brierley, Headteacher and Accounting Officer	Remuneration	115,000-120,000	95,000-100,000
	Pension contributions paid	15,000-20,000	15,000-20,000
A J Leman, Staff Governor	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
T M Andrews, Staff Governor	Remuneration	30,000-35,000	25,000-30,000
	Pension contributions paid	5,000-10,000	0-5,000
Z Goodwin, Community Governor	Remuneration	NIL	0-5,000
	Pension contributions paid	NIL	NIL

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

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
(A Company Limited by Guarantee)

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

13. GOVERNORS' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors' and officers' indemnity element from the overall cost of the RPA scheme.

14. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machin- ery £	Motor vehicles £	Fixtures and fittings £	Computer equip- ment £	Asset under construc- tion £	Total £
Cost							
At 1 September 2017	9,617,810	126,599	16,684	40,726	133,497	100,289	10,035,605
Additions	603,978	209,410	6,400	8,556	-	1,480,440	2,308,784
At 31 August 2018	10,221,788	336,009	23,084	49,282	133,497	1,580,729	12,344,389
Depreciation							
At 1 September 2017	1,021,881	71,396	14,796	14,586	113,610	-	1,236,269
Charge for the year	170,727	19,577	1,527	7,240	4,912	-	203,983
At 31 August 2018	1,192,608	90,973	16,323	21,826	118,522	-	1,440,252
Net book value							
At 31 August 2018	9,029,180	245,036	6,761	27,456	14,975	1,580,729	10,904,137
At 31 August 2017	8,595,929	55,203	1,888	26,140	19,887	100,289	8,799,336

Included in freehold land and buildings is freehold land at valuation of £1,850,000 (2017 - £1,850,000) which is not depreciated.

The freehold land and buildings were professionally valued on 25 July 2011 by Strutt and Parker LLP, a RICS Registered Valuer using the Depreciated Replacement Cost method. The Governors consider that the valuation remains appropriate for the purposes of these financial statements.

The Asset under construction came into use from October 2018.

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15. DEBTORS

	2018 £	2017 £
Trade debtors	1,367	1,416
VAT recoverable	233,764	16,593
Other debtors	869	10,082
Prepayments and accrued income	338,445	61,578
	<u>574,445</u>	<u>89,669</u>

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	91,688	81,947
Pension contributions payable	82,089	73,700
Other creditors	52,331	44,643
Accruals and deferred income	580,566	121,998
	<u>806,674</u>	<u>322,288</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	91,342	95,268
Resources deferred during the year	89,931	91,342
Amounts released from previous years	(91,342)	(95,268)
	<u>89,931</u>	<u>91,342</u>

At the balance sheet date the Academy Trust was holding funds received in advance for;

- School trips taking place in the 2018-19 academic year;
- Rates reimbursement for the period September 2018 to March 2019;
- Music Tuition received in advance for 2018-19; and
- Rental income received in advance for 2018-19

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17. STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds						
Designated reserve for educational operations	500,000	-	-	-	-	500,000
Unrestricted funds						
General Funds	284,020	710,062	(461,809)	(285,501)	-	246,772
Total Unrestricted funds	784,020	710,062	(461,809)	(285,501)	-	746,772
Restricted general funds						
General Annual Grant (GAG)	220,286	5,056,410	(5,285,287)	10,066	-	1,475
Pupil Premium	-	65,284	(65,284)	-	-	-
SCITT - Teacher Training Bursaries	-	386,500	(386,500)	-	-	-
SCITT - Other	114,023	301,436	(301,594)	(10,066)	-	103,799
Local Authority Grants	-	20,604	(20,604)	-	-	-
Other DfE / ESFA grants	-	18,826	(18,826)	-	-	-
Other activities	-	20,418	(14,823)	-	-	5,595
Pension reserve	(2,508,000)	-	(215,000)	-	469,000	(2,254,000)
	(2,173,691)	5,869,478	(6,307,918)	-	469,000	(2,143,131)
Restricted fixed asset funds						
Net Book Value of owned Fixed Assets	8,799,336	-	(203,983)	2,308,784	-	10,904,137
DfE / ESFA Capital Grants	57,299	2,086,861	-	(1,973,283)	-	170,877
Other Capital Grants	-	50,000	-	(50,000)	-	-
	8,856,635	2,136,861	(203,983)	285,501	-	11,075,014
Total restricted funds	6,682,944	8,006,339	(6,511,901)	285,501	469,000	8,931,883
Total funds	7,466,964	8,716,401	(6,973,710)	-	469,000	9,678,655

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17. STATEMENT OF FUNDS - CURRENT YEAR (continued)

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

The Designated fund is a reserve held specifically for investment in future educational projects.

The Unrestricted General Fund relates to the general activities undertaken by the Academy Trust.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy Trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been set up because the GAG must be used for the normal educational running costs of the Academy Trust.

The Pupil Premium fund represents the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The SCITT - Teacher Training Bursaries fund represents the funding received from the National College for Teaching & Leadership (NCTL) towards bursary and grant funding payments associated with Initial Teacher Training (ITT).

Upon establishment, Southend SCITT inherited funding from Southend Teacher Training Partnership. SCITT funding provides practical, hands-on teacher training, delivered by experienced, practicing teachers based in their own school. The SCITT reserve represents the SCITT's retained earnings at the end of the Academy's financial year.

The Other activities fund relates to all other restricted funding that cannot be classified above but fall outside the scope of its core activities.

The LGPS deficit (pension reserve) fund represents the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the pension scheme movements are recognised. The fund is in deficit, but given the nature of the liability this is not payable immediately. Plans are in place to meet the deficit.

The NBV of owned Fixed Assets fund relates to the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/ESFA Capital grants fund relates to capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of owned Fixed Assets fund. Capital grants received and receivable but not yet spent on fixed assets are held as current assets in the restricted fixed asset fund.

A transfer between the GAG fund and SCITT - Other fund is in relation to a recharge of teaching school costs not invoiced.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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17. STATEMENT OF FUNDS - CURRENT YEAR (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
Designated reserve for educational operations	500,000	-	-	-	-	500,000
	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Unrestricted funds						
General Funds	188,361	660,744	(565,085)	-	-	284,020
Total Unrestricted funds	<u>688,361</u>	<u>660,744</u>	<u>(565,085)</u>	<u>-</u>	<u>-</u>	<u>784,020</u>
Restricted general funds						
General Annual Grant (GAG)	343,311	4,855,008	(4,978,033)	-	-	220,286
Pupil Premium	-	58,807	(58,807)	-	-	-
SCITT - Teacher Training Bursaries	-	401,799	(401,799)	-	-	-
SCITT - Other	103,538	197,560	(187,075)	-	-	114,023
Other activities	-	27,199	(27,199)	-	-	-
Pension reserve	(2,561,000)	-	(183,000)	-	236,000	(2,508,000)
	<u>(2,114,151)</u>	<u>5,540,373</u>	<u>(5,835,913)</u>	<u>-</u>	<u>236,000</u>	<u>(2,173,691)</u>
Restricted fixed asset funds						
Net Book Value of owned Fixed Assets	8,876,036	-	(207,224)	130,524	-	8,799,336
DfE / ESFA Capital Grants	-	187,823	-	(130,524)	-	57,299
Total restricted funds	<u>6,761,885</u>	<u>5,728,196</u>	<u>(6,043,137)</u>	<u>-</u>	<u>236,000</u>	<u>6,682,944</u>
Total funds	<u>7,450,246</u>	<u>6,388,940</u>	<u>(6,608,222)</u>	<u>-</u>	<u>236,000</u>	<u>7,466,964</u>

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds						
Designated reserve for educational operations	500,000	-	-	-	-	500,000
	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
General funds						
General Funds	188,361	1,370,806	(1,026,894)	(285,501)	-	246,772
Total Unrestricted funds	<u>688,361</u>	<u>1,370,806</u>	<u>(1,026,894)</u>	<u>(285,501)</u>	<u>-</u>	<u>746,772</u>
Restricted general funds						
General Annual Grant (GAG)	343,311	9,911,418	(10,263,320)	10,066	-	1,475
Pupil Premium	-	124,091	(124,091)	-	-	-
SCITT - Teacher Training Bursaries	-	788,299	(788,299)	-	-	-
SCITT - Other	103,538	498,996	(488,669)	(10,066)	-	103,799
Local Authority Grants	-	20,604	(20,604)	-	-	-
Other DfE / ESFA grants	-	18,826	(18,826)	-	-	-
Other activities	-	47,617	(42,022)	-	-	5,595
Pension reserve	(2,561,000)	-	(398,000)	-	705,000	(2,254,000)
	<u>(2,114,151)</u>	<u>11,409,851</u>	<u>(12,143,831)</u>	<u>-</u>	<u>705,000</u>	<u>(2,143,131)</u>
Restricted fixed asset funds						
Net Book Value of owned Fixed Assets	8,876,036	-	(411,207)	2,439,308	-	10,904,137
DfE / ESFA Capital Grants	-	2,274,684	-	(2,103,807)	-	170,877
	-	50,000	-	(50,000)	-	-
	<u>8,876,036</u>	<u>2,324,684</u>	<u>(411,207)</u>	<u>285,501</u>	<u>-</u>	<u>11,075,014</u>
Total restricted funds	<u>6,761,885</u>	<u>13,734,535</u>	<u>(12,555,038)</u>	<u>285,501</u>	<u>705,000</u>	<u>8,931,883</u>
Total funds	<u><u>7,450,246</u></u>	<u><u>15,105,341</u></u>	<u><u>(13,581,932)</u></u>	<u><u>-</u></u>	<u><u>705,000</u></u>	<u><u>9,678,655</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	10,904,137	10,904,137
Current assets	746,772	917,543	170,877	1,835,192
Creditors due within one year	-	(806,674)	-	(806,674)
Defined benefit pension scheme liability	-	(2,254,000)	-	(2,254,000)
	<u>746,772</u>	<u>(2,143,131)</u>	<u>11,075,014</u>	<u>9,678,655</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	8,799,336	8,799,336
Current assets	831,244	609,373	57,299	1,497,916
Creditors due within one year	(47,224)	(275,064)	-	(322,288)
Defined benefit pension scheme liability	-	(2,508,000)	-	(2,508,000)
	<u>784,020</u>	<u>(2,173,691)</u>	<u>8,856,635</u>	<u>7,466,964</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,742,691	(219,282)
Adjustment for:		
Depreciation charges	203,983	207,224
Investment income	(2,313)	(1,834)
(Increase)/decrease in debtors	(484,776)	34,668
Increase in creditors	484,386	5,446
Capital grants from DfE and other capital income	(2,136,861)	(187,823)
Defined benefit pension scheme cost less contributions payable	151,000	128,000
Defined benefit pension scheme finance cost	64,000	55,000
Net cash provided by operating activities	<u>22,110</u>	<u>21,399</u>

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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	1,260,747	1,408,247
Total	<u>1,260,747</u>	<u>1,408,247</u>

21. CONTINGENT LIABILITIES

As part of the new build the Academy executed a loan agreement with the ESFA for £100,000, the amount is repayable in equal instalments over 10 years. The liability is not recognised within the financial statements as the new build is not planned to be in operational use until 2018/19 at which point the liability will be recognised.

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy Trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>632,493</u>	<u>2,899,985</u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS

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

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

Contributions amounting to £82,089 were payable to the schemes at 31 August 2018 (2017 - £73,700) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The latest valuation of the TPS has taken place based on April 2016 data, whereupon the employer contribution rate is expected to increase and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £448,331 (2017 - £434,730).

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23. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £235,000 (2017 - £164,186), of which employer's contributions totalled £184,000 (2017 - £115,568) and employees' contributions totalled £51,000 (2017 - £48,618). The agreed contribution rates for future years are 24.0% for employers and 5.5 to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation assumption (RPI)	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

	At 31 August 2018 £'000	At 31 August 2017 £'000
Sensitivity analysis		
Discount rate +0.1%	(86)	(87)
Discount rate -0.1%	88	89
Mortality assumption - 1 year increase	131	131
Mortality assumption - 1 year decrease	(127)	(127)

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,138,000	1,025,000
Gilts	95,000	98,000
Other bonds	104,000	61,000
Property	159,000	152,000
Cash	61,000	49,000
Alternative assets	160,000	120,000
Other managed funds	69,000	67,000
	<u>1,786,000</u>	<u>1,572,000</u>
Total market value of assets	<u>1,786,000</u>	<u>1,572,000</u>

The actual return on scheme assets was £102,000 (2017 - £234,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(335,000)	(281,000)
Interest income	41,000	35,000
Interest cost	(105,000)	(90,000)
	<u>(399,000)</u>	<u>(336,000)</u>
Total	<u>(399,000)</u>	<u>(336,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	4,080,000	4,162,000
Current service cost	335,000	281,000
Interest cost	105,000	90,000
Employee contributions	51,000	47,000
Actuarial gains	(409,000)	(288,000)
Benefits paid	(122,000)	(212,000)
	<u>4,040,000</u>	<u>4,080,000</u>
Closing defined benefit obligation	<u>4,040,000</u>	<u>4,080,000</u>

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23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,572,000	1,601,000
Interest income	41,000	35,000
Actuarial gains/(losses)	60,000	(52,000)
Employer contributions	184,000	153,000
Employee contributions	51,000	47,000
Benefits paid	(122,000)	(212,000)
	<u>1,786,000</u>	<u>1,572,000</u>
Closing fair value of scheme assets	<u>1,786,000</u>	<u>1,572,000</u>

Reconciliation of opening to closing Defined Benefit Pension Scheme liability

	2018 £	2017 £
Balance brought forward as at 1 September	2,508,000	2,561,000
Defined benefit pension scheme service cost less contributions payable	151,000	128,000
Defined benefit pension scheme finance cost	64,000	55,000
Actuarial (gains)	(469,000)	(236,000)
	<u>2,254,000</u>	<u>2,508,000</u>
Balance carried forward as at 31 August	<u>2,254,000</u>	<u>2,508,000</u>

The amounts recognised in the Balance Sheet are as follows:

	2018 £	2017 £
Present value of the defined benefit obligation	(4,040,000)	(4,080,000)
Fair value of scheme assets	1,786,000	1,572,000
	<u>(2,254,000)</u>	<u>(2,508,000)</u>
Defined benefit pension scheme liability	<u>(2,254,000)</u>	<u>(2,508,000)</u>

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24. RELATED PARTY TRANSACTIONS

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

During the year, services of £1,500 were provided at cost by Helium Fish Limited, a company which the Head of Sixth Form's partner is a Director (2017: services of £333 were provided at cost by BTMK Solicitors of whom the Chair of Governors is a director). Costs of £NIL (2017: £333) were accrued as at the balance sheet date.

Other related party transactions are detailed in Note 12.

25. MEMBERS' LIABILITY

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

26. AGENCY ARRANGEMENTS

The Academy Trust acts as an agent on behalf of the students in relation to the school's charitable fundraising activities. During the year the Academy Trust banked amounts totalling £15,750 (2017 - £14,438) and disbursed £15,750 (2017 - £14,438) to charitable organisations. The income and expenditure is excluded from the Statement of Financial Activities.

27. CONTROLLING PARTY

There is no ultimate controlling party.

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NOTES TO THE FINANCIAL STATEMENTS
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28. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
SCITT income	687,936		599,359	
TOTAL INCOME		687,936		599,359
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	85,009		73,444	
Other SCITT expenditure	386,500		401,799	
Accreditation and hosting costs	199,209		99,510	
TOTAL DIRECT EXPENDITURE	670,718		574,753	
OTHER EXPENDITURE				
Administration costs	17,421		14,121	
TOTAL EXPENDITURE		688,139		588,874
TRANSFERS BETWEEN FUNDS				
EXCLUDING DEPRECIATION		(10,066)		-
(DEFICIT) / SURPLUS FROM ALL SOURCES		(10,269)		10,485
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		114,068		103,583
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		103,799		114,068