



financial statements

Southend High School for Girls Academy Trust (A company limited by guarantee)

For the year ended: 31 August 2015

Company registration number: 07487455

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

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Statement of Accounting Policies

Other Notes to the Financial Statements

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees & Governors

Mrs F A Edwards, Chair of Trustees
Dr L M Barnard, Vice Chair of Trustees
Ms F J Brierley, Headteacher (appointed on 20th November 2014) and Accounting Officer
Mr C F Aarons, Parent
Mr A Bacon (appointed 10th September 2015)
The Rev J Collis (appointed 1 October 2014 and resigned on 17th September 2015)
Mrs S M Everett, Partnership
Mrs L H Fernando, Parent
Mr C T S Gasper, Local Authority (resigned 2nd October 2015)
Ms Z Goodwin (appointed 1 October 2014)
Mr M N Hiscock, Parent
Miss C Jessop, Community (resigned 2nd October 2015)
Mrs A J Leman, Staff
Dr J D O'Brien, Parent
Mr J J Perry, Parent
Mr O T J P Staines, Staff
Ms J Scott (appointed 1 October 2014 and resigned 5th February 2015)

All Trustees of the school are also Governors and Directors. There are no Governors that are not also Trustees.

Company Secretary Mr S S Caink

Senior Management Team:

Ms F J Brierley, Headteacher (Acting Headteacher 1st September 2014, appointed Head Teacher 20th November 2014)
Mrs D Butt, Deputy Head Teacher, (Appointed 1st September 2015)
Mr L P Boney, Deputy Head Teacher, (Appointed 1st September 2015)
Mrs P Bowman, Assistant Head Teacher
Mrs J Cassford, Assistant Head Teacher (Resigned 19th April 2015)
Mr S Jolley, Assistant Headteacher (Appointed 1st September 2014)
Mrs A Leman, (Acting Assistant Headteacher 1st September 2014, appointed 1st September 2015)
Mr S S Caink, Bursar, Company Secretary, Chief Financial Officer and Clerk to the Trustees / Governors

Company Name Southend High School for Girls Academy Trust

Principal and registered office

Southchurch Boulevard
Southend-on-Sea
Essex
SS2 4UZ

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Company registered number

07487455 (England and Wales)Independent auditors

MHA MacIntyre Hudson LLP
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Bankers

Lloyds TSB plc
77 High Street
Southend-on-Sea
Essex
SS11HT

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

Solicitors

BTMK Solicitors LLP
19 Clifftown Rd.
Southend on Sea
Essex, SS1 1AB

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also Directors of the Charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of Southend High School for Girls Academy Trust for the year ended 31 August, 2015 together with the auditor's report thereon. The Trustees confirm that the Annual Report and financial statements of the Academy Trust comply with the current statutory requirements, the requirements of the Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The Annual Report serves the purposes of both a Trustees' Report and a Directors' report under company law.

The Academy Trust is a girls' grammar school with a co-educational sixth form. The Academy Trust has 1,040 students and is managed on a day to day basis by the Headteacher and other members of the Senior Leadership Team who report to the Board of Governors. The Governors are, in turn, responsible to the Trustees. The business activities are set out in the Academy Trust's Memorandum and Articles of Association, which are the primary governing documents of the Academy Trust.

The aims of the Academy Trust are to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing a secondary grammar school offering a broad curriculum with a strong emphasis on the arts, languages, mathematics, science and sports.

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, (also 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. This covers the Academy Trust, (including Governors, Trustees, 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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. Parent Governors are elected by parents with children registered at the school.

Governors are appointed to the Board by the existing Governors for initial periods of up to four years, after which time they are eligible for re-election for a further term. 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.

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.

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 staff. The Governors meet as a Board five or six times each year.

There are four committees as follows:-

- 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, MHA MacIntyre Hudson was appointed as auditor by the Governing Body in 2014. They have since been appointed to report on the financial statements for the year ended 31st August, 2015. 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 also the designated Accounting Officer. The Headteacher reports to the Governors and is responsible for establishing a Senior Leadership Team (SLT), which includes the Bursar, 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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) and this is subsequently presented to Governors for consideration, challenge and approval. The plan 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 education for students as well as good working conditions for staff. Once agreed, management 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 Bursar who present it to the Finance Committee for consideration and challenge, prior to making a recommendation to the Governors. Once approved, the Bursar monitors income and expenditure and will regularly report 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 Headteachers Association, the Association of School and College Leaders and also the Grammar School Heads Association. The Headteacher of the Academy Trust is also the Accounting Officer of Southend SCITT (School Centred Initial Teacher Training) which is run as a department within the school and a partner of South Essex Teaching School Alliance. The Academy Trust does not have representation in any commercial business.

BTMK Solicitors LLP, a firm in which Alan Bacon is partner, provides legal advice to the Academy Trust from time to time for which they are remunerated on the firm's normal terms of business. As disclosed in note 12, one or more trustees were paid remuneration or has received benefits from employment.

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 and pupils and staff are regularly involved with charitable fund raising activities. The Academy Trust also coordinates student exchanges and interacts with several international schools.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 accommodates 1,040 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 pupils apply for a place at age 11 but the Standard Admission Number is 180. Priority is given to up to 135 girls whose parents live within an area defined by local postcodes SS1 to SS9, with the remainder accepted from outside this area. The Academy Trust is presently rated "Outstanding" by Ofsted and in 2015 all students sitting GCSE examinations passed them with five grades A*- C, including English and Maths. The Academy Trust prides itself on its pastoral care and attention. Governors consider that such an education, delivered free of charge to the public, is evidence that the school operates for the public benefit.

STRATEGIC REPORT

The Governing Body's strategic aims are:

- To make the Academy Trust the preferred choice school for girls in Southend.
- To transcend "outstanding".
- To move the Academy Trust into the top 50 state schools in the country.

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 foreseeable future, 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- At Southend High School for Girls intellectual curiosity, learning and the development of skills are valued. SHSG students are challenged in lessons and beyond. Year eight undertake half of their geography lessons in French. Three groups undertook World Challenge in Chile and a further group undertook community work in Vietnam, which included building a toilet block.
- The outcome in public examinations is well above national averages. At A level there was a 100% pass rate. All students obtained their choice of university or employment. 70% of grades were B grade or better, with 58 prestigious A* grades. Eight students went to Oxbridge.
- At GCSE a 100% pass rate (5 GCSE A*-C including English and maths). The average grade of "best 8" is an A grade at GCSE. The progress 8 score was 0.53. Disadvantaged students achieved marginally higher than non-disadvantaged in terms of progress.
- There was an increase in the top grades in all external examinations. At A2 the increase in A*-B was 5%, at AS the increase in A and B grades was 6% and at GCSE the increase in A*/A grades was almost 8%.
- SHSG has an active student body who have been involved in activities including, amongst other things; the STARS project – determining what makes an outstanding learner, through charity work and a mock election. They also contributed to Black History Month and worked with The Royal Opera House on Artsmark projects. The school council meets at least every half term and reports to SLT at formal meetings.
- As part of the WW1 commemoration students wrote and presented a play based on Southend and historical fact. This was delivered on three evenings plus a matinee at a local theatre. The GCSE students presented 'Private Peaceful' with two extra matinees for primary school children. The concerts and big band barbeque were great successes, in particular the Chamber Choir evening which was simply stunning.
- The athletes represented England in the World Schools Games held in China, finishing 8th, in the world. The junior athletes are national champions whilst the intermediate team are third nationally. Other sporting success include; Indoor Athletics Cup year 7/8 winners, Lee Valley Outdoor Cup year 7 winners, Thorpe Hall Relays Overall winners, Borough Sports winners in every event. SHSG is ranked as the tenth best state school for sports.
- There has been a great deal of work undertaken with primary schools, with the aim of encouraging more bright girls to sit the 11+ through giving them an experience of lessons, subject and life at SHSG. Most faculties have delivered a Saturday morning session, whilst PE put on a weekly netball coaching course. There have been 11+ familiarisation courses at which 60 year 5s attended.
- Through hard work and motivation the student body raised over £15,000 for charity last year. The largest amount of money going to The Essex and Herts Air Ambulance Services.
- There are numerous extra-curricular activities for students, often run by 6th formers, including off site trips. Year seven have a non-timetabled day once per fortnight when they have cross curricular activities developing transferable skills, leadership and team work.
- The Academy Trust is an accredited employer by Investors in People.
- Mrs S. Imbush, our Director of Mathematics, received a Pearson Platinum award for Secondary School Teacher of the Year. The award is in recognition of excellence in teaching and pioneering 'Maths Angels', an innovative on-line tutorial and mentoring of students at SHSG and local primary and secondary schools.

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FOR THE YEAR ENDED 31 AUGUST 2015

- The Parents forum was instigated during the year, plus a full parental survey to allow all stakeholders to have a say in the development of the school.
- The Academy Trust runs a School Centred Initial teacher Training Programme (SCITT) which recruited trainees for the first time in 2014-2015. Of 24 trainees completing the course all achieved QTS, gained PGCE's and obtained masters credits. The majority of trainees achieved the "outstanding" grade and most are employed in local schools. Recruitment for 2015-2016 has resulted in 32 trainees embarking on teacher training.

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 inspections by the SLT.
- Written reports submitted by the headteacher to Governors.
- External review by, for example, Ofsted.

Financial Indicators

- Net Assets have increased by £158k to £8.7m.
- Excellent liquidity as evidenced by net current assets of £1.15m and a current ratio of 4.5:1.
- Income and expenditure have both reduced during the year under review.
- Positive net cashflow from operations.
- Staff costs have decreased by £204,000 from the previous year.
- There is a significant deficit of £1.44m in the required value of the Local Government Pension Scheme used by support staff. The deficit has increased by £31k since last year end.
- The academy has established a reserve of £500,000 to protect itself from cuts to government funding over the medium term.

Following an exhaustive search and rigorous selection process, the Governing Body appointed Ms F.J. Brierley as Headteacher on 20 November 2014. This appointment was followed by the recruitment of two new Deputy Head Teachers, Mrs D. Butt and Mr L.P. Boney and appointment of Mr S Jolley and Ms A.J. Leman as Assistant Head Teacher and Acting Assistant Head Teacher respectively. The Governors look forward to working with the senior leadership team in delivering its strategic aims.

We bade farewell to Ms J. Cassford, Assistant Headteacher, who resigned and thank her for her contribution to the school.

Going Concern

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

FINANCIAL REVIEW

During FY14/15 the school achieved an aggregate income of £6.155m, (down from £6.319m the previous year,) and spent £6.052m after accounting for depreciation of £209k on fixed assets. Overall expenditure reduced by £114k from the previous year enabling the school to achieve a net income of £102k.

SHSG enjoys excellent liquidity with current assets consisting mainly of cash, prepayments and only a very small number of (good quality) debtors. Current liabilities are made up of deferred income obligations, mainly advance payments received for future school trips, as well as employee tax and pension commitments. After stripping out funds held for use by the SCITT the school's current ratio is very strong at 4.19:1.

In line with most publicly funded institutions the school has been subjected to government funding cuts and these are expected to continue in the short to medium term. In order to address this issue the school is adopting several strategies. Staff costs will always represent the single largest expense for a school and through careful attention to timetabling the average number of employees at the school has reduced from 109 to 100, saving in excess of £200k. Other cost savings have been achieved by switching some supply contracts and in particular by joining the governments Risk Protection Arrangement for our insurance cover. Demand for places at SHSG remains very strong and we anticipate being able to increase revenue by ensuring that the school is always subscribed in full, and operates to its optimum capacity. We remain conscious of the need to achieve these aims without compromising the quality of teaching and the safety and experiences enjoyed by our students.

In addition to government funding the school generates substantial revenues by running: - school trips, arranging private music tuition and through our catering operation. Income from these activities, together with donations received from parents reached £469k last year. We always aim to run these activities on a break-even basis. Whereas in the past the school has been required to subsidise its canteen operation, catering income of £168k generated in the year under review was sufficient to match the operational expenses.

The school contributes to two employee pension schemes, one for teachers and the other, the Local Government Pension Scheme (LGPS), for support staff. Notwithstanding the fact that the school is required to contribute additional amounts in to the LGPS scheme in order to reduce a substantial deficit, the shortfall reflected in the balance sheet rose by £38k in Fy14/15 to £1.438m. While this remains a very large obligation for the school the Governors anticipate that in view of the changes to pension benefits introduced effective 1st April, 2014 and the additional contributions that are being made by the school each year, the shortfall can be eradicated over the longer term. The situation would undoubtedly improve given a better economic investment climate. The notes to these financial statements contain detailed descriptions about the two pension schemes, and the investment strategies, as well as the background to the shortfall in the LGP Scheme.

The school receives a "Formula Capital" grant each year to fund capital expenditure on fixed assets. Towards the end of FY13/14 we bid for, and received an additional £79k to fund the replacement of our electrical in-take switchgear and main power distribution cables. This project was completed successfully along with the "Dalo" project, started in the previous year, to construct two classrooms and a drama studio.

The school is fortunate to currently be in a strong financial position. We enjoy excellent liquidity and have a good level of reserves. Medium term budgets indicate that funding will reduce in the short term and management is very aware that increased National Insurance contributions coupled with annual staff pay awards are likely to result in deficit budgets that will erode the savings over the next few years. Management continues to maintain close attention to all costs and have devised plans to gradually increase student numbers in an effort to maintain, and eventually increase, income.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Reserves Policy

The school is anticipating shortfalls in the funding received from government necessary to cover its educational operating expenses in the short to medium term future. In view of this, and after careful analysis of its cashflow and financial obligations it has created a Designated Reserve of £500,000 which will be drawn down over this period. A reserve of £150,000 of combined Restricted General Funds and Unrestricted Funds (and after netting-off the retained earnings ascribed to and ring-fenced for use by the SCITT,) is considered necessary to facilitate daily operational cashflow. The current level of reserves comfortably satisfies this target.

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 financial statements. Although a significant liability, under present arrangements the deficit is being funded through additional contributions over a twenty year period. These amounted to £60.1k 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.

At 31 August 2015 the total funds comprised:

Designated fund for educational operations	500,000
General fund	<u>36,562</u>
Total Unrestricted funds	536,562
Restricted: Fixed asset funds	9,005,774
GAG	494,447
Pension reserve	(1,438,000)
SCITT reserve	<u>111,168</u>
	<u>8,709,951</u>

Investment Policy

The Bursar is authorised to place funds on deposit in interest bearing accounts with first class UK domiciled banks, those 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 Board.

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, 2015 and up to the date of approval of the annual report and financial statements. Finance Committee Members have drawn up a schedule and list of Responsible Officer checks that will be used to ensure that staff within the school are closely monitoring:- income, expenditure, payroll procedures, data protection and fixed assets.

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TRUSTEES' REPORT (continued)
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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, Compliance. The risks are then allocated to an appropriate Governor Committee for regular 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 regularly 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 which are reviewed and agreed by the Governing Body. Members of the Finance Committee regularly review financial performance against the budget, monitor major purchase plans, capital works and expenditure programmes. Each year the Committee reviews the school's Financial Regulations which details financial procedures, defines revenue and capital expenditure purchasing procedures, identifies and sets out delegations of authority and demands appropriate 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.

Having recently completed the construction of four new classrooms a key aim for site staff will be to gradually upgrade our stock of ageing rooms and to modernise the buildings by installing energy efficient double glazed windows and modern lighting.

In 2014/15 the school secured funding to replace its electrical intake switchgear panel and the main cables that transport power around the school buildings. This work was successfully completed on time and within budget.

During the year ahead the school will again run and manage "Southend SCITT," a School Centered Initial Teacher Training facility for graduates aspiring to become professional teachers.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Other than funds donated to the academy's prize fund in order to acquire prizes for successful students, 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 £111k for Southend SCITT.

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TRUSTEES' REPORT (continued)
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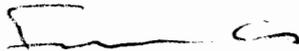
Auditor

In so far as the Trustees are aware:

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

The auditor, MHA MacIntyre Hudson, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 3rd December 2015 and signed on the Board's behalf by:



Mrs F. A. Edwards

Chair of Trustees

Southend High School for Girls
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Southend High School for Girls Academy Trust and the Secretary of State for Education. They are 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met once during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs F A Edwards, Chair of Trustees	1	1
Dr L M Barnard, Vice Chair of Trustees	0	1
Ms F J Brierley, Headteacher	1	1
Mr C T S Gasper, (Retired 2 October 2015)	1	1
Mrs S M Everett, Partnership	1	1
Miss C Jessop, (Retired 2 October 2015)	1	1
Mr C F Aarons, Parent	1	1
Mrs L H Fernando, Parent	1	1
Mr M N Hiscock, Parent	1	1
Dr J D O'Brien, Parent	1	1
Mr J J Perry, Parent	1	1
Mr O T J P Staines, Staff	1	1
Mrs A J Leman, Staff	1	1
The Rev J Collis (appointed 1 October 2014, retired 17 September 2015)	1	1
Ms J Scott (appointed 1 October 2014, Retired 5 February 2015)	1	1
Ms Z Goodwin (appointed 1 October 2014)	1	1

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The Risk Register is regularly reviewed by the various Committees and was reviewed by the Board of Governors on 5th May, 2015.

Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of a possible
Mrs F A Edwards, Chair of Governors	7	7
Dr L M Barnard, Vice Chair of Governors	7	7
Ms F J Brierley, Headteacher	7	7
Mr C T S Gasper, (Retired 2 October 2015)	6	7
Mrs S M Everett,	6	7
Miss C Jessop, (Retired 2 October 2015)	6	7
Mr C F Aarons, Parent	4	7
Mrs L H Fernando, Parent	7	7
Mr M N Hiscock, Parent	7	7
Dr J D O'Brien, Parent	6	7
Mr J J Perry, Parent	7	7
Mr O T J P Staines, Staff	6	7
Mrs A J Leman, Staff (appointed 25 November 2013)	7	7
The Rev J Collis (appointed 1 October 2014, 4 retired 17 September 2015)	4	6
Ms J Scott (appointed 1 October 2014, Retired 5 3 February 2015)	3	3
Ms Z Goodwin (appointed 1 October 2014)	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 Responsible Officer, offering guidance and support to the Head Teacher and Bursar.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Dr L Barnard	5	5
Ms F Brierley	5	5
The Rev J Collis	3	3
Mrs F Edwards	4	5
Mrs S Everett	5	5
Mrs H Fernando	5	5
Mr M Hiscock	4	5
Miss C Jessop	4	5

Southend High School for Girls
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

REVIEW OF VALUE FOR MONEY

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

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

- Holding a tender before appointing the contractor to carry out major electrical upgrade works
- Regularly reviewing contracts and changing suppliers.
- Following a competitive tender, procuring external audit and other non-audit services which resulted in a reduction of fees of c.£17k per annum;
- The Academy joined the government's Risk Protection Arrangement for insurance cover thereby reducing insurance premiums.

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 2014 to 31 August 2015 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 2014 to 31 August 2015 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Governors.

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 which 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.

Southend High School for Girls
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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 appointed the Finance Committee to discharge the function of Responsible Officer and 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. In particular the checks carried out in the current period testing of:

- purchasing and payments
- payroll
- income sources
- fixed assets and equipment.

The Chair of the Finance Committee reports to the Board of Trustees, on the operation of the systems of control and on the discharge of the Board of Trustees' 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 their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board of Trustees on 3rd December, 2015 and signed on its behalf by:



Mrs F. A. Edwards
Chair of Trustees



Ms 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 Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy Trust 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 (2014).

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 EFA.

F.J. Brierley.....
Ms F J Brierley
accounting officer

Date: 3 December 2015

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2015

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 Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

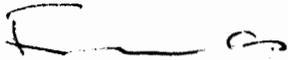
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 Trustees 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 Trustees 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 EFA/DfE have been applied for the purposes intended.

The Trustees 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 3 December 2015 and signed on its behalf by:


.....
Mrs F A Edwards
Chair of Trustees

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST

We have audited the financial statements of Southend High School for Girls Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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 for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

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 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



James Gare ACA (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: 2/12/15

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 FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 EFA 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 EFA 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 EFA, 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. 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 FUNDING AGENCY (continued)

The work undertaken to draw our conclusion includes:

- reviewing the Minutes of the meetings 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 of the Academy Trust;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to staff 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditors

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

Date: 3/12/15

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

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	39,037	-	-	39,037	80,038
Activities for generating funds	3	317,891	-	-	317,891	272,836
Investment income	4	2,415	-	-	2,415	1,824
Incoming resources from charitable activities	5	-	5,372,614	76,148	5,448,762	5,641,279
Other incoming resources	6	110,254	236,880	-	347,134	322,870
TOTAL INCOMING RESOURCES		469,597	5,609,494	76,148	6,155,239	6,318,847
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising trading		262,903	-	-	262,903	280,617
Charitable activities	8	-	5,543,273	209,097	5,752,370	5,827,458
Governance costs	9	-	37,347	-	37,347	58,683
TOTAL RESOURCES EXPENDED	7	262,903	5,580,620	209,097	6,052,620	6,166,758
NET INCOMING RESOURCES BEFORE TRANSFERS		206,694	28,874	(132,949)	102,619	152,089

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

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Actuarial gains and losses on defined benefit pension schemes	-	56,000	-	56,000	158,000
NET MOVEMENT IN FUNDS FOR THE YEAR	206,694	84,874	(132,949)	158,619	310,089
Total funds at 1 September 2014	329,868	(917,259)	9,138,723	8,551,332	8,241,243
TOTAL FUNDS AT 31 AUGUST 2015	536,562	(832,385)	9,005,774	8,709,951	8,551,332

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 48 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 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		8,992,579		9,125,592
CURRENT ASSETS					
Debtors	15	128,253		203,719	
Cash at bank and in hand		1,354,681		943,522	
			1,482,934	1,147,241	
CREDITORS: amounts falling due within one year	16	(327,562)		(314,501)	
NET CURRENT ASSETS			1,155,372		832,740
TOTAL ASSETS LESS CURRENT LIABILITIES			10,147,951		9,958,332
Defined benefit pension scheme liability	23		(1,438,000)		(1,407,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			8,709,951		8,551,332
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	605,615		489,741	
Restricted fixed asset funds	17	9,005,774		9,138,723	
Restricted funds excluding pension liability		9,611,389		9,628,464	
Pension reserve		(1,438,000)		(1,407,000)	
Total restricted funds			8,173,389		8,221,464
Unrestricted funds	17		536,562		329,868
TOTAL FUNDS			8,709,951		8,551,332

The financial statements were approved by the Trustees, and authorised for issue, on 3 December 2015 and are signed on their behalf, by:



Mrs F A Edwards
Chair of Trustees

The notes on pages 27 to 48 form part of these financial statements.

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	19	408,682	316,726
Returns on investments and servicing of finance	20	2,415	1,824
Capital expenditure and financial investment	20	62	(452,422)
INCREASE/(DECREASE) IN CASH IN THE YEAR		411,159	(133,872)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase/(Decrease) in cash in the year	411,159	(133,872)
MOVEMENT IN NET FUNDS IN THE YEAR	411,159	(133,872)
Net funds at 1 September 2014	943,522	1,077,394
NET FUNDS AT 31 AUGUST 2015	1,354,681	943,522

The notes on pages 27 to 48 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 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA, and the Companies Act 2006. A summary of the principal accounting policies which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

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 there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

Donations are recognised on a receivable basis where there is certainty of receipt 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 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

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

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	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	-	5 year straight line
Computer equipment	-	5 years straight line

1.6 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.

1.7 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

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 quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other 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 2015

1. ACCOUNTING POLICIES (continued)

1.8 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 Trustees.

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 and include grants from Education Funding Agency.

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

1.9 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 Bursary Funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where funds have not been fully applied in the accounting period then an amount will be included as amounts due to the EFA.

The Academy Trust acts as an agent in collecting and distributing charitable donations raised by students. Donations are banked by the charity 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.

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2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	39,037	-	39,037	80,038

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Rental income	35,993	-	35,993	40,894
Catering income	167,890	-	167,890	148,043
Other self generated income	114,008	-	114,008	83,899
	<u>317,891</u>	<u>-</u>	<u>317,891</u>	<u>272,836</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	2,415	-	2,415	1,824

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational Operations	-	5,448,762	5,448,762	5,641,279

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FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
General Annual Grant (GAG)	-	4,935,575	4,935,575	5,106,529
Pupil Premium	-	62,087	62,087	35,550
DfE/EFA Capital Grants	-	76,148	76,148	45,841
Other DfE/EFA grants	-	-	-	38,404
	-	5,073,810	5,073,810	5,226,324
Other government grants				
Local Authority Grants	-	5,000	5,000	105,389
	-	5,000	5,000	105,389
Other funding				
Schools Direct	-	-	-	187,789
SCITT	-	369,952	369,952	121,777
	-	369,952	369,952	309,566
	-	5,448,762	5,448,762	5,641,279

A discretionary one-off grant of £5,000 was received from Southend-on-Sea Borough Council as a contribution to the cost of travel and accommodation for our athletes who represented England in the World School Games in China.

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other income	110,254	236,880	347,134	322,870

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7. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2015	2015	2015	2015	2014
	£	£	£	£	£
Costs of activities for generating funds	125,159	-	137,744	262,903	280,617
Costs of generating funds	125,159	-	137,744	262,903	280,617
Direct costs - Educational Operations	3,521,210	-	962,328	4,483,538	4,545,341
Support costs - Educational Operations	645,913	544,338	78,581	1,268,832	1,282,117
Charitable activities	4,167,123	544,338	1,040,909	5,752,370	5,827,458
Governance costs including allocated support costs	-	-	37,347	37,347	58,683
	4,292,282	544,338	1,216,000	6,052,620	6,166,758

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Write offs	144	-	

The Academy Trust has regard to the propriety and regularity of the use of public funds, and has a policy in place for gifts and hospitality. Gifts made by the Academy Trust from public funds did not exceed £25 per member of staff in the year.

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8. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	3,521,210	3,764,917
Technology Costs	93,034	101,282
Educational Supplies	331,313	337,764
Examination Fees	126,323	126,679
Staff Development and Training	23,830	24,413
Other Direct Costs	9,540	525
Schools Direct	-	187,067
SCITT	378,288	2,694
	4,483,538	4,545,341
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	604,913	578,020
Depreciation	209,099	178,425
Pension finance costs	41,000	61,000
Recruitment and Support	8,669	15,229
Maintenance of Premises and Equipment	63,798	59,342
Cleaning	107,602	105,665
Rent and Rates	44,650	30,928
Energy Costs	80,496	81,820
Insurance	31,971	37,527
Security and Transport	17,539	10,927
Bank Interest and Charges	1,943	687
Other Support Costs	57,152	122,547
	1,268,832	1,282,117
	5,752,370	5,827,458

9. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration - Audit of the financial statements	8,000	9,000
Auditors' remuneration - Other costs	1,828	17,865
Legal and professional fees	27,519	31,818
	37,347	58,683

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NOTES TO THE FINANCIAL STATEMENTS
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10. NET INCOMING RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	209,099	178,424
Auditors' remuneration	8,000	9,000
Auditors' remuneration - non-audit	1,828	17,865
	<u>218,927</u>	<u>205,289</u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,433,912	3,638,038
Social security costs	252,334	261,260
Other pension costs (Note 23)	545,494	519,936
	<u>4,231,740</u>	<u>4,419,234</u>
Supply teacher costs	19,542	15,929
FRS17 pension finance costs	41,000	61,000
	<u>4,292,282</u>	<u>4,496,163</u>

b. Staff numbers

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

	2015 No.	2014 No.
Teachers	58	63
Administration and support	36	40
Management	6	6
	<u>100</u>	<u>109</u>

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11. STAFF (continued)

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	2014
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	1
	<u>2</u>	<u>1</u>

One of the above employees participated in the Teachers' Pension Scheme (2014: Two employees). During the year ended 31 August 2015 employer's pension contributions for this employee amounted to £11,197 (2014: £36,849).

The remaining employee participated in the Local Government Scheme; employer's pension contributions amounted to £7,389 (2014: £7,186).

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12. TRUSTEES' REMUNERATION AND EXPENSES

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

	2015	2014
	£	£
F Brierley, Accounting Officer and Headteacher (appointed 20 November 2014)	90,000-95,000	-
A J Leman, Staff Trustee	60,000-65,000	45,000-50,000
O T J P Staines, Staff Trustee	45,000-50,000	40,000-45,000
M Hiscock, Staff and Parent Trustee	0-5,000	-
C Jessop, Community Trustee	0-5,000	-
S Everett, Partnership Trustee	0-5,000	-

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

The value of Trustees' remuneration includes gross salary and employer pension contributions made during the year.

Remuneration disclosures for trustees who resigned prior to 1 September 2014 are not reflected in the table above.

F Brierley is accruing retirement benefits under the Teachers' Pension Scheme and contributions in the year fell within the band £10,000-£15,000.

A J Leman is accruing benefits under the Teachers' Pension Scheme and contributions in the year fell within the band £5,000-£10,000 (2014: £5,000-£10,000).

O T J P Staines is accruing benefits under the Teachers' Pension Scheme and contributions in the year fell within the band £5,000-£10,000 (2014: £5,000-10,000).

M Hiscock, C Jessop and S Everett are not accruing pension benefits and received no pension contributions during the year.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 September 2014	9,544,538	48,442	16,684	16,231	108,937	9,734,832
Additions	6,664	63,233	-	1,919	4,270	76,086
At 31 August 2015	9,551,202	111,675	16,684	18,150	113,207	9,810,918
Depreciation						
At 1 September 2014	518,140	20,521	7,971	3,246	59,362	609,240
Charge for the year	167,451	15,964	2,781	2,919	19,984	209,099
At 31 August 2015	685,591	36,485	10,752	6,165	79,346	818,339
Net book value						
At 31 August 2015	8,865,611	75,190	5,932	11,985	33,861	8,992,579
At 31 August 2014	9,026,398	27,921	8,713	12,985	49,575	9,125,592

Included in freehold property is freehold land at valuation of £1,850,000 (2014: £1,850,000) which is not depreciated.

15. DEBTORS

	2015 £	2014 £
Trade debtors	5,915	-
Amounts repayable from the EFA	120	-
VAT recoverable	6,157	122,789
Other debtors	8,240	284
Prepayments and accrued income	107,821	80,646
	128,253	203,719

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16. CREDITORS:
Amounts falling due within one year

	2015	2014
	£	£
Other taxation and social security	74,891	76,993
Pension commitment	65,178	67,851
Other creditors	18,532	3,576
Accruals and deferred income	168,961	166,081
	327,562	314,501

Deferred income

Deferred income at 1 September 2014	122,755
Resources deferred during the year	144,082
Amounts released from previous years	(122,755)
Deferred income at 31 August 2015	144,082

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

- School trips taking place in the 2015-16 academic year;
- Rates reimbursement for the period September 2015 to March 2016;
- An optional Sports Leader course paid in advance of 2015-16;
- A Student Trainee Teacher fee for 2015-16;
- Music Tuition paid in advance for 2015-16; and
- Rental income received in advance.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Designated reserve for educational operations	-	-	-	500,000	-	500,000
General funds						
General Funds	329,868	469,597	(262,903)	(500,000)	-	36,562
Total Unrestricted funds	329,868	469,597	(262,903)	-	-	536,562
Restricted funds						
General Annual Grant (GAG)	370,237	4,935,575	(4,811,365)	-	-	494,447
Pupil Premium	-	62,087	(62,087)	-	-	-
Local Authority Grants	-	5,000	(5,000)	-	-	-
SCITT	119,504	369,952	(378,288)	-	-	111,168
Other activities	-	236,880	(236,880)	-	-	-
Pension reserve	(1,407,000)	-	(87,000)	-	56,000	(1,438,000)
	(917,259)	5,609,494	(5,580,620)	-	56,000	(832,385)
Restricted fixed asset funds						
Net Book Value of owned Fixed Assets	9,125,591	-	(209,097)	76,085	-	8,992,579
EFA Capital Grants	13,132	76,148	-	(76,085)	-	13,195
	9,138,723	76,148	(209,097)	-	-	9,005,774
Total restricted funds	8,221,464	5,685,642	(5,789,717)	-	56,000	8,173,389
Total of funds	8,551,332	6,155,239	(6,052,620)	-	56,000	8,709,951

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

The Designated reserve for educational operations has been created to enable the Academy to continue to deliver high standards of education while government funding cuts are being implemented and absorbed. It is envisaged that the fund will be utilised over the next 3 - 5 years.

The General fund has been created to recognise the incoming and outgoing resources in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities

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17. STATEMENT OF FUNDS (continued)

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 Funding Agency by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy Trust.

The Pupil Premium fund has been established to recognise the restricted funding received from the Education Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Local Authority revenue grants fund recognises the contribution from Southend-on-Sea Borough Council to the cost of travel and accommodation for our athletes who represented England in the World School Games in China.

Upon establishment, Southend SCITT inherited funding from Southend Teacher Training Partnership. SCITT funding provides practical, hands-on teacher training, delivered by experienced, practising 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 LGPS deficit (pension reserve) fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the pension scheme's movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the NBV of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The EFA Capital Grants fund has been created to recognise 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 Fixed Asset funds.

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 2015.

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SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	-	-	-	500,000	-	500,000
Unrestricted funds	329,868	469,597	(262,903)	(500,000)	-	36,562
	<u>329,868</u>	<u>469,597</u>	<u>(262,903)</u>	-	-	<u>536,562</u>
Restricted funds	(917,259)	5,609,494	(5,580,620)	-	56,000	(832,385)
Restricted fixed asset funds	9,138,723	76,148	(209,097)	-	-	9,005,774
	<u>8,551,332</u>	<u>6,155,239</u>	<u>(6,052,620)</u>	-	<u>56,000</u>	<u>8,709,951</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	8,992,579	8,992,579	9,125,592
Current assets	536,562	933,176	13,195	1,482,933	1,147,240
Creditors due within one year	-	(327,561)	-	(327,561)	(314,500)
Pension scheme liability	-	(1,438,000)	-	(1,438,000)	(1,407,000)
	<u>536,562</u>	<u>(832,385)</u>	<u>9,005,774</u>	<u>8,709,951</u>	<u>8,551,332</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources	102,619	152,089
Returns on investments and servicing of finance	(2,415)	(1,824)
Depreciation of tangible fixed assets	209,099	178,424
Capital grants from DfE	(76,148)	(22,141)
Decrease/(increase) in debtors	75,466	(102,635)
Increase in creditors	13,061	36,813
FRS 17 adjustments	87,000	76,000
Net cash inflow from operations	<u>408,682</u>	<u>316,726</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	2,415	1,824
	<u>2,415</u>	<u>1,824</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(76,086)	(474,563)
Capital grants from DfE	76,148	22,141
	<u>62</u>	<u>(452,422)</u>
Net cash inflow/(outflow) capital expenditure	<u>62</u>	<u>(452,422)</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	943,522	411,159	-	1,354,681
Net funds	<u>943,522</u>	<u>411,159</u>	<u>-</u>	<u>1,354,681</u>

22. MEMBERS' LIABILITY

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

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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £65,178 were payable to the scheme at 31 August 2015 (2014 - 67,851) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. 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

Not less than every four years 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 (currently 14.1%);
- 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%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The total pension costs paid to TPS in the period amounted to £602,042 (2014: £614,642), of which employer's contributions totalled £358,114 and employees' contributions totalled £243,928.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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.

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23. PENSION COMMITMENTS (continued)

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 2015 was £186,973, of which employer's contributions totalled £142,110 and employees' contributions totalled £44,863. The agreed contribution rates for future years are 26.8% 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.

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	5.30	795,000	6.10	633,000
Gilts	5.30	50,000	3.00	63,000
Other bonds	5.30	119,000	3.60	108,000
Property	5.30	141,000	5.10	114,000
Cash	5.30	30,000	2.90	27,000
Alternative assets	5.30	88,000	3.60	39,000
Total market value of assets		<u>1,223,000</u>		<u>984,000</u>
Present value of scheme liabilities		<u>(2,661,000)</u>		<u>(2,391,000)</u>
Deficit in the scheme		<u><u>(1,438,000)</u></u>		<u><u>(1,407,000)</u></u>

For accounting years beginning on or after 1 January 2015, the expected rate of return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore the Actuary has not disclosed an expected return assumption for the year to 31 August 2016. For the year to 31 August 2015, the expected return was 5.3% per annum, which has been used to determine the charge to the Statement of Financial Activities.

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,661,000)	(2,391,000)
Fair value of scheme assets	<u>1,223,000</u>	<u>984,000</u>
Net liability	<u><u>(1,438,000)</u></u>	<u><u>(1,407,000)</u></u>

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

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(187,000)	(147,000)
Interest on obligation	(98,000)	(110,000)
Expected return on scheme assets	57,000	49,000
	<u> </u>	<u> </u>
Total	(228,000)	(208,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	53,000	103,000
	<u> </u>	<u> </u>

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

	2015 £	2014 £
Opening defined benefit obligation	2,391,000	2,264,000
Current service cost	187,000	147,000
Interest cost	98,000	110,000
Contributions by scheme participants	46,000	42,000
Actuarial Gains	(60,000)	(155,000)
Benefits paid	(1,000)	(17,000)
	<u> </u>	<u> </u>
Closing defined benefit obligation	2,661,000	2,391,000
	<u> </u>	<u> </u>

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

	2015 £	2014 £
Opening fair value of scheme assets	984,000	775,000
Expected return on assets	57,000	49,000
Actuarial gains and (losses)	(4,000)	3,000
Contributions by employer	141,000	132,000
Contributions by employees	46,000	42,000
Benefits paid	(1,000)	(17,000)
	<u> </u>	<u> </u>
	1,223,000	984,000
	<u> </u>	<u> </u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £147,000 loss (2014 - £203,000 loss).

The Academy Trust expects to contribute £144,000 to its LGPS Defined benefit pension scheme in FY 2015/2016.

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23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Rate of increase in salaries	4.40 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.60 %
Commutation of pensions to lump sums	60.00 %	60.00 %
Inflation assumption (RPI)	3.50 %	3.40 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015	2014	2013	2012	2011
	£	£	£	£	£
Defined benefit obligation	(2,661,000)	(2,391,000)	(2,264,000)	(1,926,000)	(1,397,000)
Scheme assets	1,223,000	984,000	775,000	540,000	365,000
Deficit	(1,438,000)	(1,407,000)	(1,489,000)	(1,386,000)	(1,032,000)
Experience adjustments on scheme liabilities	60,000	155,000	(114,000)	-	-
Experience adjustments on scheme assets	(4,000)	3,000	62,000	6,000	(17,000)

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24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No transactions with related parties were undertaken such as are required to be disclosed under the Charity Commission Statement of Recommended Practice Accounting and Reporting by Charities SORP 2005 the Academies Accounts Direction 2014 issued by the EFA and the Companies Act 2006.

25. CONTROLLING PARTY

There is no ultimate controlling party.

26. COMPANY LIMITED BY GUARENTEE

The Academy Trust is a company limited by guarentee and does not have share capital.

27. AGENCY ARRANGEMENTS

The Academy Trust administers the distributions of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. During the year the Academy Trust received £20,160 (2014: £21,304) and disbursed £19,272 (2014: £21,304), £1,008 was retained to cover administration expenses, no amounts (2014: £nil) were owed from or due to the EFA at the balance sheet date as the overspend of £120 has been expended through unrestricted funds. The income and expenditure is excluded from the Statement of Financial Activities.

The Academy Trust acts as an agent on behalf of the students in relation to the schools charitable fundraising activities. During the year the Academy Trust banked amounts totalling £19,285 (2014: £41,970) and disbursed £19,285 (2014: £38,133) to charitable organisations. The income and expenditure is excluded from the Statement of Financial Activities.