

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

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members and Governors	Mrs V Allen (appointed 26 March 2019) Mr T M Andrews, Staff Governor Mr A J Bacon, Chair of Governors and Chair of Finance Committee Miss D Brown, Parent Governor Mr J Carey, Head Teacher and Accounting Officer (appointed 25 June 2019) Ms L H Fernando, Parent Governor Dr J A Ladner Mrs A J Leman, Staff Governor Mr J Perry, Parent Governor, Vice Chair of Governors, Chair of Student Matters and Curriculum Committee and Chair of Premises, Health and Safety Committee Mrs N Slaughter (appointed 26 March 2019) Mrs A Slotwinska Mrs L Traynor, Parent Governor, Chair of Pay and Personnel Committee Dr L M Barnard, Partnership Governor (resigned 18 September 2018) Ms F J Brierley, Headteacher and Accounting Officer (resigned 31 August 2019) Mrs A Creak, Parent Governor (resigned 4 February 2019) Mr A E White (appointed 18 September 2018, resigned 1 May 2019)
Company registered number	07487455
Company name	Southend High School for Girls Academy Trust
Principal and registered office	Southend High School for Girls Southchurch Boulevard Southend-On-Sea Essex SS2 4UZ
Company secretary	Mrs A Clarke
Chief executive officer	Ms F J Brierley (resigned 31 August 2019) Mr J Carey (appointed 25 June 2019)
Senior management team	F Brierley, Headteacher D Butt, Deputy Headteacher (resigned 31 October 2019) L Boney, Deputy Headteacher P Bowman, Assistant Headteacher A Leman, Assistant Headteacher H Riebold, Assistant Headteacher A Clarke, Director of Business & Finance
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditor New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers	Lloyds TSB plc 77 High Street Southend-on-Sea Essex SS1 1HT
	HSBC plc 1-3 Broadway London Road Southend-on-Sea Essex SS1 1TJ

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors' present their annual report together with the financial statements and auditors' report of Southend High School for Girls Academy Trust for the year ended 31 August 2019. The annual report serves the purposes of a Trustees' Report, a Directors' Report and – where highlighted – a Strategic Report under company law.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Headteacher, Ms Fiona J Brierley retired on 31 August 2019, following a rigorous selection process, Mr Jason Carey was appointed Headteacher from 1 September 2019 and Accounting Officer on 17 September 2019 by the Governing Body.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members Liability

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

Trustees' Indemnities

The Academy Trust maintains unlimited professional indemnity insurance for 2018/19. This covers the Academy Trust (including Governors, Trustees and teaching and administrative staff), for liability arising from negligent acts, errors and omissions committed in good faith.

Method of Recruitment and Appointment or Election of Trustees

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

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The Governing body appoints additional governors to the Board initially for periods of up to four years, after which time they are eligible for re-election for further terms. 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-elected by the Governing body. Staff have elected two employees on to the Board. During 2016-17, the Articles of Association were amended to remove the designation of Community and Partnership Governors, and instead permit the appointment of up to eight Governors without designation.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

There are four committees of the Board:

- Student Matters and Curriculum
- Finance (including Audit)
- Pay and Personnel
- Premises, 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 convened to consider specific issues and make recommendations to the Board as and when circumstances require.

Members of the Finance Committee collectively discharge the Responsible Officer function (on a rotational basis) and as such have oversight of financial probity and risk management.

Following a competitive tender, the Governing Body appointed MHA MacIntyre Hudson as external auditor in 2014. The firm has since been re-appointed to audit and report on the financial statements for the year ended 31 August 2019. MHA MacIntyre Hudson has also been engaged to advise management on accounting, taxation and other financial matters.

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

The SLT line manages Directors of Faculty who constitute the Faculty Board and lead 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.

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Each year the SLT prepares a School Development Plan (SDP) in consultation with staff, parents and Governors. This is subsequently presented to Governors for consideration, challenge and approval. The plan includes strategic aims, academic targets as well as initiatives to further the vision and ethos of the school. An objective of the SLT is to strive for 'excellence in everything' within the school and the best possible educational outcomes for students as well as the best working conditions for staff. The three underlying principles of the SDP is that students are: *safe, happy and successful*. The SLT is responsible for delivering the plan and reporting progress on a regular basis to various Board committees, and ultimately to the Governing Body. The Academy Trust is now activating an Integrated Curriculum Led Financial Planning exercise in order to ensure a balanced budget.

Delivery of the SDP is supported by the annual financial plan and budget. Preparation of the budget is the responsibility of the Headteacher and Director of Finance and Business who present it to the Finance Committee for consideration and challenge, prior to presenting it to the Governing Body. Once the budget is approved, the Director of Finance and Business monitors income and expenditure and regularly reports the financial status of the Academy Trust to the Headteacher, Finance Committee and full Governing Body. From September 2018, management accounts have been presented to the Chair of Governors each month.

Related Parties and other Connected Charities and Organisations

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

The Headteacher is a member of the Southend-on-Sea Headteacher's Association, the Association of Secondary Headteachers in Essex and also the Grammar School Heads Association. The Headteacher of the Academy Trust is also the Accounting Officer of Southend School Centred Initial Teacher Training (SCITT) which is run as a separate department within the school. The school is a partner of South Essex Teaching School Alliance. During the year the Governing Body licensed use of the school logo by a commercial organisation for a limited period.

The charity monitors business relationships with related parties through formal declarations of business interests. Miss H Riebold, who is the Head of Sixth Form's partner, is a Director of Helium Fish Limited. During the year a contract for producing the Sixth Form prospectus was awarded to Helium Fish Limited at a cost of £1,750.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

The Academy's Pay and Personnel Committee also considers recommendations from the Headteacher with regard to the emoluments and terms of service of members of the Senior Leadership Team. The Trust uses FFT and DfE benchmarks for the size of its senior leadership team against other similar schools. Those employed by the Academy Trust in a leadership role are remunerated only for their role as school leaders and not for their roles as Governors.

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

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Trade Union Facilitation Time Regulation

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

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
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2	2
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Percentage of time spent on facility time	Number of employees
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0%	-
1%-50%	2
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£1,220
Total pay bill	£5,067,963

Provide the percentage of total pay bill spent on facility time, calculated as (total cost of facility time / total pay bill *100)	0.024 %
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Paid trade union activities

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

Under the provisions of the Charities (Protection and Social Investment) Act 2016 trustees have legal duties and responsibilities for charity fundraising.

The Academy Trust's approach to fundraising is focused mainly on raising funds within the school. Charity week held annually raises funds through a variety of activities for several charities. Sponsored walks on the school birthday raise funds for the Academy Trust and other charities nominated by students. Voluntary donations from Parents are received each year for the Academy Trust to improve facilities for students. The Parents Association raises funds to buy equipment for the school: the school received £5,000 during the year as a contribution to the purchase of a minibus.

Donations requested at the annual school carol service support local charities. Carol singing at local venues also raises fund for local voluntary agencies. All fundraising activities are approved by the Headteacher and there is a designated member of staff responsible for coordination of fundraising activities and the use of funds raised for charities.

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The Academy Trust works with a commercial participator who supports a number of charities through donations to support authorised purposes. No such donations have been received during this financial year. A formal agreement is sought for all such relationships.

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

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 secondary school and sixth form offering a challenging, aspirational and 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 by maintaining a high standard of education throughout the school to fulfil their potential.

The Academy Trust is aware that it has responsibilities to both the local and wider communities and engages with local primary schools. Additionally, students and staff are regularly involved with charitable fund-raising activities: £13,700 was raised for charitable causes during the year. The Academy Trust also coordinates student exchanges through mutually supportive relationships with several international schools. The Academy Trust is the recipient of the International Schools Award and the Gold Artsmark Award. Gold Artsmark accreditation recognises value added in the arts and culture.

In order to determine whether or not the Charitable Company has fulfilled its charitable objectives for public benefit, the Governors review progress made against the School Development Plan, the budget and academic targets.

In order to provide exceptional learning opportunities for our students, the SLT concentrates on four key priorities:

- Outstanding teaching and learning: The Academy Trust aims to provide outstanding teaching to promote intellectual challenge and the highest possible progress and attainment outcomes for all students
- Outstanding pastoral care for the Individual: the structures and ethos of the Academy Trust deliver pastoral care for the individual and support for the learning of each student
- A high quality learning environment: The Academy Trust aims to provide a safe environment in which students can be inspired to learn and grow
- Aspirational leadership: every leader in the Academy Trust manages and leads their area of responsibility and achieving ambitious outcomes for students.

Public Benefit

The Academy Trust presently has on roll 1,178 students aged between 11 and 18. The offer of a place in Year 7 is dependent on passing the 11+ examination. Normally some 700 girls apply for a place in Year 7 in which the Pupil Admission Number is 180. Priority is given to up to 135 girls whose parents live within a priority area defined by local postcodes SS0 to SS9, with the remainder accepted from outside this area. 10% of places are allocated to Pupil Premium students. In 2019, the waiting list for September entry was 267. OFSTED presently rates the Academy Trust "Outstanding".

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Academic results

The Academy Trust achieved excellent results in 2019 at both GCSE and A Level.

At A Level, 64% of students achieved A* - B grades; 8% of grades were A*. Eight students achieved A*-A grades. Strengths in subjects included: Further Maths, English Literature, English Language, Art, PE, Religious Studies and Theatre Studies, all of which achieved 100% A* - B.

4 students gained places at Oxbridge. In addition, 3 students from 2019 are now studying Medicine.

At GCSE, 65% of grades were 9 – 7. In English, 79% of students achieved grades 9 – 7; In Maths, 63% of students achieved grades 9 – 7. The Progress 8 score for 2019 (provisional) is +0.62. This is defined as 'well above average'.

Governors consider that the breadth and quality of education offered and academic outcomes, delivered free of charge to the public, is evidence that the Academy Trust operates for the public benefit.

Considerable work is undertaken with more than twenty primary schools to encourage more able girls to take the 11+ exam by introducing them to lessons, subjects and environment at the school. Most faculties have delivered a Saturday morning session to Year 5 girls in local primary schools, whilst PE host a weekly netball coaching course. We also delivered 11+ familiarisation courses to 60 Year 5 girls. Local schools were invited to a private viewing of A level artwork. Four A level students aspiring for a Gold Arts Award led a workshop with Year 4 students from local primary schools to produce amazing media displays. A cast of 20 students from years 8 to 12 performed the play 'DNA' and invited English students from a neighbouring secondary school to their performance.

STRATEGIC REPORT

During the year the Governing Body reviewed and redefined its priorities as follows:

1. To continue the incremental improvements in progress and attainment in the school whilst maintaining its unique cultural and pastoral values
2. Maintain our Academy Trust as first choice for able girls in our community
3. Increase parental understanding of the processes and practices associated with effective learning at home and at School
4. Oversee financial matters to ensure the Academy Trust remains solvent.

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

Achievements and performance

The Academy Trust was awarded "Outstanding" in all 31 inspections categories in the last inspection by OFSTED in December 2011.

At Southend High School for Girls we promote and develop intellectual rigour, curiosity and scholarship. SHSG students are challenged in lessons and beyond in an adventurous learning journey from Year 7 to Year 13. There is a combination of traditional and cutting edge learning experiences, developing skills for the 21st century world of work as preparing students to be the next generation of leaders.

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A group undertook conservation work in Mexico in summer 2019. There are numerous extra-curricular opportunities in school for all students from nature club and reading groups to Duke of Edinburgh and Arts mark (Bronze, silver and gold). Year 7 have established their own gardens. The MFL (Modern Foreign Languages) Faculty works with students on competitions such as Language perfect and the English department leads on the 'Have Your Say' competition. A group of students participated in a Global Young Leaders Conference in Washington DC and New York.

The external examination results are excellent, as detailed earlier in the report. The average Attainment 8 GCSE grade was 7.23 and the P8 score was +0.62 (disadvantaged +0.19).

All subjects have established intervention and support strategies for those who are struggling to achieve their potential. In some cases, these involve open houses or peer mentoring. In Mathematics, a (moderated) peer-mentoring programme – 'Maths Angels' – has been developed and these angels now support a local primary school and young carers in Southend in the evening. The concept of sports leaders was adopted by several students who volunteer as 'Maths Angels' who used their skills for the Duke of Edinburgh award. This is a new level 2 qualification and we were one of the first schools to implement it. Students had twenty hours of guidance and reflection on leadership skills and led a small group of Year 5 students from local primary schools for their leadership assessment.

The 'most able' students are identified and have a range of challenges set within lessons. In the sixth form, students can undertake the EPQ (extended project qualification). 26 students wrote and presented an EPQ in 2018/19 and 58% achieved A* or A grade and 65% A*-B. All year 10 and 6th form students had the opportunity to visit one or more universities during the year.

Students are not only academically able; they also excel in sports. In 2018-19 season, the Junior athletics team were placed first in the National Finals and Intermediate Athletics team came second. This year Southend High School for Girls represented England at the IFS She Runs event in Paris and the School's Head Girl also addressed dignitaries at the She Runs event in Belgium.

The Arts play an important part in the life of the school. We continue to take students on theatre trips to London and local venues. Nearly 90 girls achieved their bronze Arts Award with another group of 30 achieving silver and four gold. Two GCSE students were guests of 'Poetry by Heart' on a WWI Centenary Battlefields Poetry tour where they recited poems to large audiences at WWI cemeteries in Belgium and laid a wreath at the Menin Gate. Sixteen talented drama students in years 9 to 12 took part in workshops hosted by the National Youth Theatre and three students were selected to join the theatre company. The school is represented annually by choirs and ensembles at the Southend and Leigh Music Festivals and were rewarded with eleven trophies. 'Novem Consort' sang at the Music for Youth regional festival at the Southbank Centre and are invited to perform at the World Choir Games in 2020.

All subjects undertake special activities to enhance the experience of students and competitions enabled students to engage with and improve their subject knowledge in different ways. The Mathematics faculty hosted 'tau day' to celebrate transcendental numbers such as 'Pi' and 'e'. One student achieved a merit in the prestigious Junior Mathematics Olympiad. The Science faculty celebrated Science week and the 150th Birthday of the Periodic table 39 students in years 7 to 12 entered the National Engineering Competition for Girls, 20 students were invited to the Big Bang Fair in Birmingham and four students reached the final stage of the competition. Finalists were subsequently invited on a tour of PepsiCo's manufacturing site. The English department ran a 'Speak Out' competition with one student awarded first place in the regional finals. They also invited authors into the school to encourage reading and creative writing. A whole school reading competition was established by a Director of Faculty. The Geographers undertook field work in the local area, Yorkshire and Wales and further afield in Iceland. Historians went to Russia and to local historical sites. Two A level History students were selected by the Holocaust Educational Trust to visit Auschwitz.

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The school continues very successful programmes of exchange and cultural visits to the European Continent. The MFL Faculty achieved gold overall with a number of students achieving the coveted Elite Awards in the language perfect competition. English, Humanities and Science students also participated in this global project. In the local 'Have your Say Competition' our team of French speakers came first with the Spanish and German teams awarded second place. To widen our scope of languages and participation we continued Latin and Japanese clubs and introduced another for Russian language lessons. Three students took extra GCSE exams in French German and Spanish and we entered students for Italian, Arabic, Turkish, Japanese and Cantonese GCSE exams We host evening classes in Spanish, French and German for the local community.

Year 7 is off timetable one day every fortnight when they enjoy cross-curricular activities to develop transferable skills, leadership and teamwork attributes.

Parents are engaged through the Parents' forum. Parents are overwhelmingly supportive and appreciative of the school. Additionally, parents are asked to complete a questionnaire at every parents evening to feedback and to have their say in the development of the school. Again, their feedback is extremely positive, and we value constructive criticism. The Student School Council meets monthly and reports to SLT. Their contribution to improve teaching and learning and address housekeeping issues is much appreciated.

The Academy Trust runs a School Centred Initial Teacher Training Programme (SCITT), which recruited trainees for the first time in 2014-15. All trainees who completed in 2019 achieved Qualified Teacher Status (QTS) and many obtained PGCE's with distinction and masters credits. The majority of trainees achieved an "outstanding" grade and are employed in partnership schools in Southend. Recruitment for 2019/20 resulted in 24 trainees embarking on teacher training. The SCITT was inspected by OFSTED in 2016-17 and was graded good. The only recommendation for improvement was to continue in the same manner. It was also inspected by the Department for Education in 2018 and regarded as exemplary.

Three key members of staff were on maternity leave during the year; covering their absence continues to be challenging.

The Academy Trust was successful in its bid for funding of a new eight classroom block from the Education and Skills Funding Agency. Building works were concluded in the 2018 Autumn term. The new block enables the Academy Trust to accommodate the increasing numbers of students admitted in years 7-11. In addition, a successful bid from the Wolfson Foundation has contributed towards the refurbishment of two science laboratories. A third science laboratory was extended as was the Media studies studio. Substantial fire safety improvements were made and funded by another successful Condition Improvement Fund (CIF) bid. The Academy Trust has also upgraded fencing and security around the school to improve safeguarding. The IT infrastructure was improved through investment of £80k in new servers and telecommunications. These improvements in facilities were part funded by a reserve of £500k designated by the Governing Body for that purpose.

Key Performance Indicators

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

Non-Financial Indicators

- External Safeguarding Reviews
- Examination results measured against targets set at the beginning of each academic year and national benchmarks
- Progress in implementing the School Development Plan

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- Internal departmental reviews by the SLT
- Curriculum and pastoral reviews
- Visits by Governors
- Presentation to Governors by Heads of Departments
- External review by, for example, OFSTED

Financial Indicators

- Excellent liquidity as evidenced by a current ratio of 2.5:1
- Sizeable Net Assets of £9.68m (despite LGPS pension liability of £2.79m)
- There is a significant deficit of £2.79m in the valuation of the Local Government Pension Scheme liabilities
- Student numbers have risen from 1,034 in 2014 to 1,178 in September 2019. This has had a positive effect on funding.
- Staff costs rose by 2.96% during 2018/19
- A balanced budget was set and delivered in 2018/19

Going Concern

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

FINANCIAL REVIEW

The UK government continues to maintain tight control over public spending, and this is reflected in the modest increase in General Annual Grant (GAG) funding received during the year. GAG funding is lagged and determined by the number of students on roll in the previous autumn term. Our student numbers increased to 1,178 resulting in an increase in the Academy Trust's principal revenue stream to £5.243m.

During the year Pupil Premium income rose slightly to £70k. Income generated by the Academy Trust from: - donations, lettings and trips remained at similar levels to the previous year while catering income rose 8.8% to £259k.

Following a successful bid for capital grant funding from the ESFA of £2.6m in 2016/17, a new classroom was completed on 26th October 2018. Total income (including capital funding) reduced by £1.245m to £7.472m.

Staff costs represent the Academy's largest expense. All staff received a 2% pay increase and several were promoted to more senior positions resulting in higher basic salaries. During the year new teachers were engaged contributing to increases in salaries, pensions, maternity cover, and national insurance of 3.0% to £5.068m. Of this sum £75k was re-charged to our SCITT resulting in 96.7% of the GAG being used to fund staff salary expenses.

During the year expenditure on Academy Trust premises reduced by £13k to £298k, governance costs rose to £55k and depreciation increased to £296k. The SCITT increased retained earnings by £13k to £117k, however, these reserves are ring-fenced for training new teachers in the SCITT.

The Academy enjoys excellent liquidity and held cash balances of £1.44m at the year-end. Other current assets consist mainly of deposits paid for school trips due to take place in the next financial year, and VAT to be refunded

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from HMRC. Creditors represent payments received in advance for student trips, activities and music lessons to take place in the next academic year, as well amounts due to HMRC on the August 2019 payroll, and contributions payable to the two main pension schemes. At the year-end current assets exceeded current liabilities by a ratio of 2.5:1.

During the year the Academy disbursed £956k on capital expenditure. £604k was spent on the new classroom block development. £223k was spent on the new boilers. £81k on ICT (new servers and telecoms system). Other expenditure included electronics for the security perimeter fencing £22.8k, new flooring for the reception area £7.4k, furniture for the new classroom block £3.7k and new cleaning machines £4.6k.

Note 26 to these accounts provides details of the Local Government and Teachers' Pension Schemes, and reports on pension scheme valuation changes that have arisen during the year. Changes in valuation are attributable to investment performance, pension contributions and pension payments to retired members. During the year the Academy contributed £668k into these two schemes. As the defined benefit obligation of the LGP Scheme increased by £881k and the scheme valuation increased by £341k, the Academy suffered from an impairment of £540k in pension scheme values.

Aggregate income of £7.472m is considerably higher than the expenditure (excluding depreciation) of £6.856m. After accounting for depreciation of fixed assets amounting to £296k, net income totalled £320,179 before deteriorations in the Academy's LGPS obligation resulted in an increase of £179 in Net Assets to £9.679m.

In common with other state funded schools, many support staff in academies are members of the Local Government Pension Scheme in which there is a significant funding deficit. Details of this obligation and the actuarial assumptions underpinning the valuation of the liability are shown in the notes to the accounts. Although a significant liability, under present arrangements the deficit is being funded through additional contributions over a twenty-year period. The Governors are satisfied that funding of the liability does not present a current solvency risk for the Academy Trust or prevent the Academy Trust 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 be reduced if the value of assets in the pension scheme increase or liabilities decrease.

Reserves Policy

After careful analysis of its cashflow and financial obligations expected in the medium term the Academy has concluded that the adequate range of reserves should be in the region of £400,000 through a combination of Restricted General Funds (excluding fixed asset and pension reserves and retained earnings ascribed to the SCITT) and Unrestricted Funds (including designated funds). At the year end the combination of the Restricted General Funds and Unrestricted Funds amounted to £403,764. The designated fund of circa £387,000 is held specifically for investment in future educational projects and is therefore not included in this calculation. Such projects include the relocation of the staff room to allow for an extension of the library to meet the needs of the increased number of students resulting from the expansion programme over the last five years. The Governors believe that the current level of reserves comfortably satisfies this target.

Investment Policy

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

Principal Risks and Uncertainties

The Governing Body is of the view that there is a robust formal on-going risk management process for identifying,

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evaluating and managing the Academy Trust's significant risks, and that this system has been in place throughout the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. Finance Committee Members have completed a programme of Responsible Officer checks to obtain assurance over corporate governance, financial and risk management and controls over income, expenditure, payroll, and fixed assets.

The Trustees consider the following key risks:

Key Risks	Remedial Strategy
Safeguarding of Students	This risk is mitigated by a wide range of School policies and procedures including enhanced DBS checks made on all staff and volunteers, and rigorous Health and Safety policies and procedures.
Stagnant government funding with increasing staff costs	Focus on student recruitment to maximise pupil led income, increasing self-generated revenue and cost control.
Competition from other local grammar schools	Delivery of first class education and outcomes to attract the most able students.
Staff recruitment	Hosting of Southend SCITT to train and attract graduates into the teaching profession.
Ageing classroom estate	Modernise buildings and extend classroom footprint.
Government position with regard to Grammar Schools fluctuates	Governors and SLT monitor public perception.

The risk management process is regularly reviewed by the Governing Body. The Academy Trust has a Risk Register and categorises each identified risk under one of the following headings: Governance & Management, Operational, Financial, Environmental, and Compliance. The risks are then allocated to an appropriate Governor Committee for regular review and monitoring along with the measures that have been implemented to mitigate those risks. Governors ensure that the Headteacher and Senior Leadership Team are appropriately skilled and equipped to perform their duties and that there is active monitoring of Teaching & Learning throughout the Academy Trust. The Academy Trust has an excellent reputation as an outstanding grammar school and is heavily oversubscribed. This is important because income (although effectively assured as it emanates from the public purse) is largely dependent upon student numbers. Strong demand for places at the school depends upon the reputation of the school, its examination results, the quality of its extra-curricular activities, its attention to pastoral care and the quality of its premises and facilities, 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. It includes comprehensive budgeting and monitoring systems, with an annual budget and periodic financial reports that are reviewed and endorsed by the Governing Body. The Finance Committee regularly reviews financial performance against the budget, monitors major purchase plans, capital works and expenditure programmes. The Chair of Governors reviews financial performance against budget monthly. Each year the Committee also reviews the Academy Trust's Financial Regulations, which detail financial procedures, define revenue and capital expenditure, purchasing procedures, set out appropriate delegations of authority and segregations of duties.

PLANS FOR THE FUTURE

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.

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The construction of a new eight classroom-teaching block was completed in the Autumn Term 2018 and an upgrade of the main school boilers commenced in Summer 2019. Other key aims for site staff will be to gradually upgrade flat roofs and replace crittall windows, continue to improve our stock of ageing rooms and to modernise buildings and facilities.

The Academy has expanded by taking-on an additional 30 students in each of the last five years. The income for the additional intake each year is received one year in arrears.

Our Headteacher, Ms Fiona J Brierley retired on 31 August 2019 after more than forty years' service and the Governors are very grateful for her dedication and commitment to the school. Following a rigorous selection process, Mr Jason Carey was appointed Headteacher from 1 September 2019 and Accounting Officer on 17 September 2019 by the Governing Body. Governors look forward to working with Mr Carey to build on the school's strengths, maintain our collegiate style and 'open door' policy, and move forward to the next level of academic results.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

If 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 £117k for Southend SCITT.

Statement of Disclosure to the Auditor

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

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

Reappointment of Auditors

At their meeting held on 26th November 2019 the Trustees confirmed that there would be a procurement exercise to appoint the auditor of the Academy for the financial year 2019/20.

The Governors' Report, incorporating a Strategic Report, was approved by the Board of Governors, as Directors, on 26th November 2019 and signed on the Board's behalf by:



A. J. Bacon
Chair of Governors

26th November 2019

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FOR THE YEAR ENDED 31 AUGUST 2019

SCOPE OF RESPONSIBILITY

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

The Board of Governors has delegated the day-to-day responsibility for financial and administrative matters to the Headteacher, as Accounting Officer, in accordance with the funding agreement between Southend High School for Girls Academy Trust and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Governors any material weaknesses or lapses in internal control.

GOVERNANCE

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

Trustees	Attended	Out of
Mrs V. Allen (appointed 26 March 2019)	0	0
Mr T. Andrews, Staff Governor	1	1
Mr A.J. Bacon (Chair of Governors)	1	1
Ms F. J. Brierley, Headteacher (retired 31 August 2019)	1	1
Miss D. Brown, Parent Governor	1	1
Mr J. Carey, Headteacher (appointed wef 1 September 2019)	0	0
Mrs A. Creak, Parent Governor (retired 4 February 2019)	0	1
Mrs L.H. Fernando, Parent Governor	1	1
Dr. J. Ladner	1	1
Mrs A. J. Leman, Staff Governor	1	1
Mr J. Perry, Parent Governor	1	1
Mrs N. Slaughter (appointed 26 March 2019)	0	0
Mrs A. Slotwinska	1	1
Mrs L. Traynor, Parent Governor	1	1
Mr. A. White (appointed 18 September 2019, retired 1 May 2019)	0	1

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

Members	Attended	Out of
Mrs V, Allen (appointed 26 March 2019)	0	0
Mr T. Andrews, Staff Governor	1	1
Mr A.J. Bacon (Chair of Governors)	1	1
Ms F. J. Brierley, Headteacher (retired 31 August 2019)	1	1
Miss D. Brown, Parent Governor	1	1
Mr J. Carey, Headteacher (appointed wef 1 September 2019)	0	0
Mrs A. Creak, Parent Governor (retired 4 February 2019)	0	1
Mrs L.H. Fernando, Parent Governor	1	1
Dr. J. Ladner	1	1
Mrs A. J. Leman, Staff Governor	1	1
Mr J. Perry, Parent Governor	1	1
Mrs N. Slaughter (appointed 26 March 2019)	0	0
Mrs A. Slotwinska	1	1
Mrs L. Traynor, Parent Governor	1	1
Mr. A. White (appointed 18 September 2019, retired 1 May 2019)	0	1

The Governors held six full meetings during the year and one EGM for the new Headteacher appointment. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Attended	Out of
Mrs V, Allen (appointed 26 March 2019)	1	3
Mr T. Andrews, Staff Governor	7	7
Mr A.J. Bacon (Chair of Governors)	7	7
Ms F. J. Brierley, Headteacher (retired 31 August 2019)	6	6
Miss D. Brown, Parent Governor	4	7
Mr J. Carey, Headteacher (appointed wef 1 September 2019)	0	0
Mrs A. Creak, Parent Governor (retired 4 February 2019)	1	3
Mrs L.H. Fernando, Parent Governor	7	7
Dr. J. Ladner	6	7
Mrs A. J. Leman, Staff Governor	7	7
Mr J. Perry, Parent Governor	7	7
Mrs N. Slaughter (appointed 26 March 2019)	2	3
Mrs A. Slotwinska	7	7
Mrs L. Traynor, Parent Governor	6	7
Mr. A. White (appointed 18 September 2018, retired 1 May 2019)	1	4

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 Academy Trust by considering the budget each year, monitoring income and expenditure against the budget, reviewing reports from the finance team and the programme of internal audit, offering guidance and support to the Headteacher and Director of Finance and Business. The Academy's Risk Register is regularly reviewed by the various Committees and by the Board of Governors. The Financial risks were last reviewed on 25 April 2019.

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

Governor	Attended	Out of
Mr A.J. Bacon (Chair)	4	5
Ms F.J. Brierley (Accounting Officer, retired 31 August 2019)	5	5
Mr J. Carey (Accounting Officer, appointed wef 1 September 2019)	0	0
Amanda Creak (retired 2 February 2019)	1	2
Miss D. Brown	4	5
Ms L.H. Fernando	5	5
Mrs A. Slotwinska	5	5

REVIEW OF VALUE FOR MONEY

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

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

- Invitation to tender improvement works to three science laboratories, an office and Media classroom, for the installation of fire safety and fencing improvements.
- Regularly reviewing contracts, obtaining like-for-like quotations from different sources and changing suppliers to deliver value for money.

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 their effectiveness. The systems of internal control are designed to identify and mitigate risks to the achievement of Academy Trust's aims and objectives, to evaluate the likelihood of those risks being realised and mitigate the impact should they be realised, and to manage them efficiently and effectively. The system of internal control has been in place for the year ended 31 August 2019 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 during the year ended 31 August 2019 and up to the date of approval of the Annual Report and Financial Statements. Risk management is regularly reviewed by the Board of Governors.

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

THE RISK AND CONTROL FRAMEWORK

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

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

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

During the year under review members of the Finance Committee have completed a programme of checks on asset management, income, purchasing and payments, payroll, and financial management.

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

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 maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of the reviews of the systems of internal control by the Responsible Officer and Finance Committee and a plan to address any deficiencies is in hand.

Approved by order of the Board of Trustees on 26th November 2019 and signed on its behalf by:


A. J. Bacon
Chair of Trustees


J. Carey
Accounting Officer

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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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Governors are able to identify any material irregular or improper use of all 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 2018.

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



Mr J Carey
Accounting Officer
Date: 26 November 2019

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

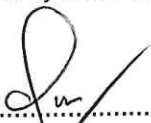
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Governors on 26 November 2019 and signed on its behalf by:


.....
Mr A J Bacon
Chair of Trustees

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

Opinion

We have audited the financial statements of Southend High School for Girls Academy Trust (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (incorporating the Strategic Report and the Directors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Sudhir Singh FCA (Senior Statutory Auditor)
for and on behalf of

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

Date: 10 December 2019

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

In accordance with the terms of our engagement letter dated 4 December 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Southend High School for Girls Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Southend High School for Girls Academy Trust's funding agreement with the Secretary of State for Education dated 6 January 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- consideration of governance issues; 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Reporting Accountant

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

Date: *20 December 2019*

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	4	50,452	5,000	672,773	728,225	2,188,085
Charitable activities	5	509,678	5,464,955	-	5,974,633	5,649,626
Teaching schools	31	-	593,151	-	593,151	687,936
Other trading activities	6	172,979	-	-	172,979	188,441
Investments	7	2,827	-	-	2,827	2,313
Total income		735,936	6,063,106	672,773	7,471,815	8,716,401
Expenditure on:						
Raising funds		109,060	-	-	109,060	123,617
Charitable activities	9	489,357	5,677,552	295,743	6,462,652	6,161,954
Teaching schools	31	-	579,924	-	579,924	688,139
Total expenditure	11	598,417	6,257,476	295,743	7,151,636	6,973,710
Net income/(expenditure)		137,519	(194,370)	377,030	320,179	1,742,691
Transfers between funds	19	(112,797)	-	112,797	-	-
Net movement in funds before other recognised gains/(losses) carried forward		24,722	(194,370)	489,827	320,179	1,742,691

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Note					
Net movement in funds before other recognised gains/(losses) brought forward		24,722	(194,370)	489,827	320,179	1,742,691
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(320,000)	-	(320,000)	469,000
Net movement in funds		24,722	(514,370)	489,827	179	2,211,691
Reconciliation of funds:						
Total funds brought forward		746,772	(2,143,131)	11,075,014	9,678,655	7,466,964
Net movement in funds		24,722	(514,370)	489,827	179	2,211,691
Total funds carried forward	19	771,494	(2,657,501)	11,564,841	9,678,834	9,678,655

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

The notes on pages 30 to 59 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	11,564,841	10,904,137
Current assets			
Debtors	16	197,690	574,445
Cash at bank and in hand		1,442,718	1,260,747
		<u>1,640,408</u>	<u>1,835,192</u>
Creditors: amounts falling due within one year	17	(621,569)	(806,674)
Net current assets		<u>1,018,839</u>	<u>1,028,518</u>
Total assets less current liabilities		<u>12,583,680</u>	<u>11,932,655</u>
Creditors: amounts falling due after more than one year	18	(110,846)	-
Net assets excluding pension liability		<u>12,472,834</u>	<u>11,932,655</u>
Defined benefit pension scheme liability	26	(2,794,000)	(2,254,000)
Total net assets		<u><u>9,678,834</u></u>	<u><u>9,678,655</u></u>
Funds of the Academy Trust			
Restricted funds:			
Restricted fixed asset funds	19	11,564,841	11,075,014
Restricted general funds	19	136,499	110,869
		<u>11,701,340</u>	<u>11,185,883</u>
Restricted funds excluding pension liability	19	11,701,340	11,185,883
Restricted general funds - pension reserve	19	(2,794,000)	(2,254,000)
Total restricted funds	19	<u>8,907,340</u>	<u>8,931,883</u>
Unrestricted funds	19	<u>771,494</u>	<u>746,772</u>
Total funds		<u><u>9,678,834</u></u>	<u><u>9,678,655</u></u>

The financial statements on pages 26 to 59 were approved by the Governors, and authorised for issue on 26 November 2019 and are signed on their behalf, by:

.....
Mr A J Bacon
Chair of Trustees

The notes on pages 30 to 59 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	21	338,994	22,110
Cash flows from investing activities	23	<u>(280,847)</u>	<u>(169,610)</u>
Cash flows from financing activities	22	123,824	-
Change in cash and cash equivalents in the year		181,971	(147,500)
Cash and cash equivalents brought forward		<u>1,260,747</u>	<u>1,408,247</u>
Cash and cash equivalents at the end of the year	24	<u><u>1,442,718</u></u>	<u><u>1,260,747</u></u>

The notes on pages 30 to 59 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 2019

1. General information

Southend High School for Girls Academy Trust is a company limited by guarantee, incorporated in England and Wales.

The address of the registered office and principal place of operation are detailed on page 1.

The nature of the Academy Trust's operation and principal activity are detailed in the Governors' Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

2.2 Going concern

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.3 Fund accounting

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

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

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

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.4 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.5 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is provided on the following bases:

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

2.7 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

2.8 Debtors

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

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.10 Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable on demand within one year, the loan is measured at cost, less impairment. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.13 Agency arrangements

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Any change in the valuation of Freehold Property (see note 15) would impact the total net assets of the Academy Trust.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	50,452	5,000	55,452	51,224
Capital Grants	-	672,773	672,773	2,136,861
Total 2019	<u>50,452</u>	<u>677,773</u>	<u>728,225</u>	<u>2,188,085</u>
Total 2018	<u>51,224</u>	<u>2,136,861</u>	<u>2,188,085</u>	

In 2018, all donations income was allocated to unrestricted funds and all capital grant income was allocated to restricted fixed asset funds.

5. Charitable activities - Funding for educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,242,606	5,242,606	5,056,410
Pupil Premium	-	71,937	71,937	65,284
Other DfE / ESFA revenue grants	-	100,555	100,555	18,826
	-	5,415,098	5,415,098	5,140,520
Other Government grants				
Local Authority revenue grants	-	27,231	27,231	20,604
	-	27,231	27,231	20,604
Other funding				
Other Educational income	509,678	22,626	532,304	488,502
Total 2019	<u>509,678</u>	<u>5,464,955</u>	<u>5,974,633</u>	<u>5,649,626</u>
Total 2018	<u>468,084</u>	<u>5,181,542</u>	<u>5,649,626</u>	

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

In 2018, all Income from Charitable Activities was allocated to restricted general funds with the exception of Other Educational income of which £468,084 was allocated to unrestricted funds.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. Other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	33,296	33,296	43,313
Catering income	6,240	6,240	6,444
Other self generated income	133,443	133,443	138,684
Total 2019	172,979	172,979	188,441

In 2018, all Income from other trading activities was allocated to unrestricted funds.

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	2,827	2,827	2,313

In 2018, all investment income was allocated to unrestricted funds.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Total expenditure

	Staff Costs 2019 £	Premises costs 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
Direct costs	-	-	54,072	54,072	62,095
Allocated support costs	54,988	-	-	54,988	61,522
Charitable activities					
Direct costs	3,977,956	-	815,502	4,793,458	4,599,105
Allocated support costs (note 9)	960,088	594,047	115,059	1,669,194	1,562,849
Teaching school (note 31)	74,931	-	504,993	579,924	688,139
Total 2019	5,067,963	594,047	1,489,626	7,151,636	6,973,710
Total 2018	4,922,217	523,860	1,527,633	6,973,710	

In 2018, of the total expenditure of £6,973,710, £461,809 was from unrestricted funds, £6,307,918 was from restricted general funds and £203,983 was from restricted fixed asset funds.

In 2018, all Raising funds – Direct costs were allocated to Other costs.

In 2018, all Raising funds – Support costs were allocated to Staff costs.

In 2018, of the total Charitable activities – Direct costs of £4,599,105, £3,842,175 was allocated to Staff costs and £756,930 was allocated to Other costs.

In 2018, of the total Charitable activities – Support costs of £1,562,849, £933,511 was allocated to Staff costs, £523,860 was allocated to Premises costs and £105,478 was allocated to Other costs.

In 2018, of the total Teaching school costs of £688,139, £85,009 was allocated to Staff costs and £603,130 was allocated to Other costs.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. Analysis of expenditure by charitable activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	4,793,458	1,669,194	6,462,652	6,161,954
Total 2018	4,599,105	1,562,849	6,161,954	

Analysis of support costs

	Educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
Defined benefit pension scheme finance cost	58,000	58,000	64,000
Staff costs	902,088	902,088	869,511
Depreciation	295,743	295,743	203,983
Premises costs	298,304	298,304	310,885
Other costs	60,509	60,509	68,726
Governance costs (note 10)	54,550	54,550	45,744
Total 2019	1,669,194	1,669,194	1,562,849

10. Governance costs

	2019 £	2018 £
Legal and professional fees	31,635	27,919
Auditors' remuneration - Audit of the Financial Statements	11,250	10,500
Auditors' remuneration - Other services	11,665	5,325
Auditors' remuneration - Other services prior year under provision	-	2,000
Total	54,550	45,744

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	291,891	203,983
Fees paid to auditors for:		
- Audit of the financial statements	11,250	10,500
- Other services	11,665	9,895
	<u>11,250</u>	<u>10,500</u>
	<u>11,665</u>	<u>9,895</u>

12. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,760,624	3,559,925
Social security costs	362,358	358,948
Pension costs	830,307	797,837
	<u>4,953,289</u>	<u>4,716,710</u>
Supply teacher costs	56,674	141,507
Defined benefit pension scheme finance cost	58,000	64,000
	<u>5,067,963</u>	<u>4,922,217</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	86	88
Administration and support	56	56
Invigilators	18	21
Management	7	7
	<u>167</u>	<u>172</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. Staff costs (continued)

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	4	3
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

The above employees participated in both the Teachers' Pension Scheme and the Local Government Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £67,516 (2018 - £51,488).

d. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Governors and the Senior Leadership Team. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by Key Management Personnel for services to the Academy Trust was £691,447 (2018 - £623,005).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2019 £	2018 £
Ms F J Breirley, Headteacher and Accounting Officer (resigned 31 August 2019)	Remuneration	120,000 -	115,000 -
		125,000	120,000
	Pension contributions paid	20,000 -	15,000 -
Mrs A J Leman, Staff Governor		25,000	20,000
	Remuneration	55,000 -	55,000 -
		60,000	60,000
Mr T M Andrews, Staff Governor	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
	Remuneration	30,000 -	30,000 -
		35,000	35,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2019, no Governor expenses were incurred (2018 - £NIL).

14. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors 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. The cost of this insurance is included in the total insurance cost.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. Tangible fixed assets

	Freehold land and buildings £	Assets under construct- ion £	Fixtures and fittings £	Plant and machin- ery £	Computer equip- ment £	Motor vehicles £	Total £
Cost							
At 1 September 2018	10,221,788	1,580,729	49,282	336,009	133,497	23,084	12,344,389
Additions	608,903	-	13,736	252,296	81,512	-	956,447
Transfers between classes	1,580,729	(1,580,729)	-	-	-	-	-
At 31 August 2019	12,411,420	-	63,018	588,305	215,009	23,084	13,300,836
Depreciation							
At 1 September 2018	1,192,608	-	21,826	90,973	118,522	16,323	1,440,252
Charge for the year	217,439	-	8,234	50,349	18,016	1,705	295,743
At 31 August 2019	1,410,047	-	30,060	141,322	136,538	18,028	1,735,995
Net book value							
At 31 August 2019	11,001,373	-	32,958	446,983	78,471	5,056	11,564,841
At 31 August 2018	9,029,180	1,580,729	27,456	245,036	14,975	6,761	10,904,137

Included in freehold land and buildings is freehold land at valuation of £1,850,000 (2018 - £1,850,000) which is not depreciated.

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

Depreciation was charged on all land and buildings. The new Brierly Block was opened at the end of October therefore 10 months of depreciation has been charged.

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16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	2,100	1,367
Other debtors	47,482	234,633
Prepayments and accrued income	148,108	338,445
	<u>197,690</u>	<u>574,445</u>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	12,978	-
Other taxation and social security	88,817	91,688
Other creditors	97,579	134,420
Accruals and deferred income	422,195	580,566
	<u>621,569</u>	<u>806,674</u>

	2019 £	2018 £
Deferred Income		
Deferred income at 1 September	89,931	91,342
Resources deferred during the year	189,877	89,931
Amounts released from previous periods	(89,931)	(91,342)
Deferred income at 31 August	<u>189,877</u>	<u>89,931</u>

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

- Rates relief from the ESFA for the accounting period 2019-20
- Condition Improvement Funds received from the ESFA for capital work taking place during 2019-20
- Pupil contributions for events taking place during 2019-20
- Educational visits income taking place during 2019-20
- Music tuition fees paid in advance
- Telephone mast rental to be recognised during 2019-20.

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18. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Other loans	110,846	-

Total loans of £123,824 includes £100,000 CIF loan from the ESFA which is repayments over 10 years from 1 October 2019 and £23,824 Salix loan from the ESFA which is repayable over 8 years from March 2020 which is considered to be a consessionary loan.

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19. Statement of funds - Current year

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Designated reserve for educational operations	500,000	-	-	(112,797)	-	387,203
General funds						
General Funds	246,772	735,936	(598,417)	-	-	384,291
Total Unrestricted funds	746,772	735,936	(598,417)	(112,797)	-	771,494
Restricted general funds						
General Annual Grant (GAG)	1,475	5,242,606	(5,229,608)	-	-	14,473
Pupil Premium	-	71,937	(71,937)	-	-	-
Other DfE / ESFA revenue grants	-	100,555	(100,555)	-	-	-
Local Authority revenue grants	-	27,231	(27,231)	-	-	-
Other Educational income	-	22,626	(22,626)	-	-	-
Other activities	5,595	5,000	(5,595)	-	-	5,000
SCITT - Teacher Training Bursaries	-	336,000	(336,000)	-	-	-
SCITT - Other	103,799	257,151	(243,924)	-	-	117,026
Pension reserve	(2,254,000)	-	(220,000)	-	(320,000)	(2,794,000)
	(2,143,131)	6,063,106	(6,257,476)	-	(320,000)	(2,657,501)

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19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
NBV of fixed assets	10,904,137	-	(295,743)	956,447	-	11,564,841
DfE / ESFA capital grants	170,877	672,773	-	(843,650)	-	-
	<u>11,075,014</u>	<u>672,773</u>	<u>(295,743)</u>	<u>112,797</u>	<u>-</u>	<u>11,564,841</u>
Total Restricted funds	<u>8,931,883</u>	<u>6,735,879</u>	<u>(6,553,219)</u>	<u>112,797</u>	<u>(320,000)</u>	<u>8,907,340</u>
Total funds	<u><u>9,678,655</u></u>	<u><u>7,471,815</u></u>	<u><u>(7,151,636)</u></u>	<u><u>-</u></u>	<u><u>(320,000)</u></u>	<u><u>9,678,834</u></u>

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19. Statement of funds (continued)

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

The Designated fund is a reserve held specifically for investment in future educational projects. During the year a transfer of £112,797 was made to the NBV of fixed assets fund to show capital additions purchased using designated funds.

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy Trust via the Education and Skills Funding Agency (ESFA) of the Department for Education (DfE). The GAG fund has been set up because the GAG must be used for the provision of education to Years 7 - 13.

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

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

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

The Other Educational income relates to all other restricted sources of income that cannot be classified above and fall outside the scope of its core activities.

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

The NBV of owned Fixed Assets fund relates to the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund. During the year a transfer of £112,797 was made from the designated fund and £843,650 during the year from the DfE/ESFA Capital grants fund which represents capital additions purchased from these funds.

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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FOR THE YEAR ENDED 31 AUGUST 2019

19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Designated funds						
Designated reserve for educational operations	500,000	-	-	-	-	500,000
General funds						
General Funds	284,020	710,062	(461,809)	(285,501)	-	246,772
Total Unrestricted funds	784,020	710,062	(461,809)	(285,501)	-	746,772
Restricted general funds						
General Annual Grant (GAG)	220,286	5,056,410	(5,285,287)	10,066	-	1,475
Pupil Premium	-	65,284	(65,284)	-	-	-
Other DfE / ESFA revenue grants	-	18,826	(18,826)	-	-	-
Local Authority grants	-	20,604	(20,604)	-	-	-
Other activities	-	20,418	(14,823)	-	-	5,595
SCITT - Teacher Training Bursaries	-	386,500	(386,500)	-	-	-
SCITT - Other	114,023	301,436	(301,594)	(10,066)	-	103,799
Pension reserve	(2,508,000)	-	(215,000)	-	469,000	(2,254,000)
	(2,173,691)	5,869,478	(6,307,918)	-	469,000	(2,143,131)

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19. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted fixed asset funds						
NBV of fixed assets	8,799,336	-	(203,983)	2,308,784	-	10,904,137
DfE / ESFA capital grants	57,299	2,086,861	-	(1,973,283)	-	170,877
Other Capital Grants	-	50,000	-	(50,000)	-	-
	<u>8,856,635</u>	<u>2,136,861</u>	<u>(203,983)</u>	<u>285,501</u>	<u>-</u>	<u>11,075,014</u>
Total Restricted funds	<u>6,682,944</u>	<u>8,006,339</u>	<u>(6,511,901)</u>	<u>285,501</u>	<u>469,000</u>	<u>8,931,883</u>
Total funds	<u>7,466,964</u>	<u>8,716,401</u>	<u>(6,973,710)</u>	<u>-</u>	<u>469,000</u>	<u>9,678,655</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	11,564,841	11,564,841
Current assets	771,494	868,914	-	1,640,408
Creditors due within one year	-	(621,569)	-	(621,569)
Creditors due in more than one year	-	(110,846)	-	(110,846)
Defined benefit pension scheme liability	-	(2,794,000)	-	(2,794,000)
Total	<u>771,494</u>	<u>(2,657,501)</u>	<u>11,564,841</u>	<u>9,678,834</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

21. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	320,179	1,742,691
Adjustments for:		
Depreciation	295,743	203,983
Capital grants from DfE and other capital income	(672,773)	(2,136,861)
Investment income	(2,827)	(2,313)
Defined benefit pension scheme cost less contributions payable	162,000	151,000
Defined benefit pension scheme finance cost	58,000	64,000
Decrease/(increase) in debtors	376,755	(484,776)
(Decrease)/increase in creditors	(198,083)	484,386
Net cash provided by operating activities	338,994	22,110

22. Cash flows from financing activities

	2019 £	2018 £
Cash inflows from new borrowing	123,824	-
Net cash provided by financing activities	123,824	-

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23. Cash flows from investing activities

	2019 £	2018 £
Investment income	2,827	2,313
Purchase of tangible fixed assets (note 15)	(956,447)	(2,308,784)
Capital grants from DfE Group	672,773	2,136,861
Net cash used in investing activities	(280,847)	(169,610)

24. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,442,718	1,260,747
Total cash and cash equivalents	1,442,718	1,260,747

25. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	632,493

26. Pension commitments

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

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

Contributions amounting to £83,868 were payable to the schemes at 31 August 2019 (2018 - £82,089) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

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26. Pension commitments (continued)

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £471,307 (2018 - £448,331).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £248,000 (2018 - £235,000), of which employer's contributions totalled £197,000 (2018 - £184,000) and employees' contributions totalled £ 51,000 (2018 - £51,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Discount rate for scheme liabilities	1.85	2.65
Rate of increase in salaries	3.7	3.80
Rate of increase for pensions in payment/inflation	2.2	2.30
Inflation assumption (CPI)	2.2	2.30
Inflation assumption (RPI)	3.2	3.3

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23	24.5
Females	25.4	27.1

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26. Pension commitments (continued)

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(106)	(86)
Discount rate -0.1%	109	88
Mortality assumption - 1 year increase	190	131
Mortality assumption - 1 year decrease	(183)	(127)

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

	At 31	At 31 August
	August 2019	2018
	£	£
Equities	1,341,000	1,138,000
Gilts	117,000	95,000
Other bonds	120,000	104,000
Property	170,000	159,000
Cash	62,000	61,000
Alternative assets	208,000	160,000
Other managed funds	109,000	69,000
Total market value of assets	2,127,000	1,786,000

The actual return on scheme assets was £156,000 (2018 - £102,000).

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

	2019	2018
	£	£
Current service cost	(308,000)	(335,000)
Past service cost	(51,000)	-
Interest income	49,000	41,000
Interest cost	(107,000)	(105,000)
Total amount recognised in the Statement of Financial Activities	(417,000)	(399,000)

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26. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	4,040,000	4,080,000
Current service cost	308,000	335,000
Interest cost	107,000	105,000
Employee contributions	51,000	51,000
Actuarial losses/(gains)	426,000	(409,000)
Benefits paid	(62,000)	(122,000)
Past service costs	51,000	-
At 31 August	4,921,000	4,040,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	1,786,000	1,572,000
Interest income	49,000	41,000
Actuarial gains	106,000	60,000
Employer contributions	197,000	184,000
Employee contributions	51,000	51,000
Benefits paid	(62,000)	(122,000)
At 31 August	2,127,000	1,786,000

Reconciliation of opening to closing Defined Benefit Pension Scheme liability

	2019 £	2018 £
Balance brought forward as at 1 September	2,254,000	2,508,000
Defined benefit pension scheme service cost less contributions payable	162,000	151,000
Defined benefit pension scheme finance cost	58,000	64,000
Actuarial losses / (gains)	320,000	(469,000)
Balance carried forward as at 31 August	2,794,000	2,254,000

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NOTES TO THE FINANCIAL STATEMENTS
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The amounts recognised in the Balance Sheet are as follows:

	2019 £	2018 £
Present value of the defined benefit obligation	(4,921,000)	(4,040,000)
Fair value of scheme assets	2,127,000	1,786,000
Defined benefit pension scheme liability	(2,794,000)	(2,254,000)

27. 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.

28. 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 governor 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.

During the year there were transactions with Helium Fish Limited - a company in which a member of the Senior Leadership Team and Head of Sixth Form, H Riebold's partner is a director:

- The Academy Trust purchased printing services from Helium Fish Limited totalling £1,750 (2018 - £1,500) during the period. There were no amounts outstanding at 31 August 2019 (2018 - £Nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which H Riebold neither participated in, nor influenced
- In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.

During the year, a restricted donation of £50 was received from N Slaughter to be used towards the purchase of sports awards. Fundraising was undertaken by the Academy and many parents contributed, including N Slaughter who is a Trustee.

29. Agency arrangements

The Academy Trust acts as an agent on behalf of the students in relation to the school's charitable fundraising activities. During the year the Academy Trust banked amounts totalling £13,693 (2018 - £15,750) and disbursed £13,389 (2018 - £15,750) to charitable organisations. The income and expenditure is excluded from the Statement of Financial Activities.

SOUTHEND HIGH SCHOOL FOR GIRLS ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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30. Controlling party

There is no ultimate controlling party.

31. Teaching school trading account

	2019 £	2019 £	2018 £	2018 £
Income				
Direct income				
SCITT income	593,151		687,936	
Total income		593,151		687,936
Expenditure				
Direct expenditure				
Direct staff costs	74,931		85,009	
Other SCITT expenditure	336,000		386,500	
Accreditation and hosting costs	162,007		199,209	
Total direct expenditure	572,938		670,718	
Other expenditure				
Administration costs	6,986		17,421	
Total expenditure		579,924		688,139
Transfers between funds excluding depreciation		-		(10,066)
Surplus/(deficit) from all sources		13,227		(10,269)
Teaching school balances at 1 September 2018		103,799		114,068
Teaching school balances at 31 August 2019		117,026		103,799

