

Company Registration No. 07485584 (England and Wales)

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

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SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Dr M Aggarwal
Mrs S Currington (Vice Chair) (Resigned 21 October 2019)
Mr J Hendry
Dr P Husselbee (Vice Chair) (Appointed 2 October 2019)
Mrs S O'Ryan (Chair)
Dr R Bevan (Headteacher and Accounting Officer)
Mr P Crow (Staff Governor)
Mr R Olson (Staff Governor) (Resigned 12 November 2018)
Mrs J Burns (Staff Governor) (Resigned 21 October 2019)
Mr G Mather (Responsible Officer)
Mr D Colderwood (Resigned 13 August 2019)
Mrs E Bumpus (Resigned 31 December 2018)
Mr A Watts
Mrs S Alabaster
Ms T Whittington
Mr SAA Moinuddin
Mrs J Baldwin
Mr C Briggs
Mrs J De Silva (Resigned 11 November 2018)
Mr D Walden (Resigned 7 November 2019)
P Hadden (Appointed 30 April 2019)
Ms K Laycock (Appointed 30 April 2019)
A Cass (Appointed 20 December 2018)

Members

Mr P Richards
Mr A Barrett
Mr R Maddison
Mrs S O'Ryan
Mr A Gardner

Senior management team

- Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Deputy Headteacher
- Director of Resources

Dr R Bevan
Mrs L Smith
Mrs C Bates
Mrs R Worth
Mr S Oxenham

Company registration number

07485584 (England and Wales).

Principal and Registered office

Prittlewell Chase
Southend-on-Sea
Essex
SS0 ORG

Independent auditor

Rickard Luckin Limited
Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in South East Essex. It has a pupil capacity of 1,300 and had a roll of 1,256 in the school census on 1 October 2018.

Structure, governance and management

Constitution

The Academy Trust is a Company limited by guarantee, without share capital, and an exempt charity which was established on 1 February 2011. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. In accordance with the requirements of the Articles of Association, it is the duty of the Members of the Charitable Company to appoint Governors to be responsible for the affairs and management of the Academy Trust. The Charitable Company is known as Southend High School for Boys Academy Trust.

In accordance with the Articles of Association, the Charitable Company has identified the requirements for the admission of pupils to the Academy Trust, approved by the Secretary of State for Education.

Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

The Members of the Academy Trust comprise Mrs S O'Ryan who is also the chair of Governors of the School, Mr P Richards, Mr R Maddison, both former chair of Governors, Mr A Barrett a former Governor of the school and Mr A Gardner a former Deputy Headteacher of the school. The Members delegate the running of the Academy Trust to the Governors and have established the form of governance to be adopted.

Governors' indemnities

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Method of recruitment and appointment or election of governors

The Members of the Academy Trust may directly appoint up to 12 Governors.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Principal/Headteacher), who are employees of the Academy Trust, does not exceed one third of the total number of Governors. Staff Governors are elected by employees of the Academy Trust. Any election of Staff Governors which is contested is held by secret ballot.

Parent Governors are elected by parents of registered pupils at the Academy Trust. A Parent Governor must be a parent of a pupil at the Academy Trust at the time when he or she is elected. Any election of Parent Governors which is contested is held by secret ballot. Arrangements are made for postal votes. Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body takes such steps as are reasonably practical to secure that every person who is known to them to be parent of a registered pupil at the Academy Trust is informed of the vacancy and that it is required to be filled by election, informed that he or she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Governors required is made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

Where it is not reasonably practical to appoint a person who is the parent of a registered pupil at the Academy Trust, a person who is the parent of a child of compulsory school age can be appointed.

Members may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed.

The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Principal/Headteacher).

Policies and procedures adopted for the induction and training of governors

All new Governors are recruited and elected on their ability to play an active part in the governance of the Academy. They are provided with all necessary documents that they will need to undertake their role as Governors. They are also referred to the Academies Financial Handbook, Southend High School for Boys Academy's Funding Agreement and various relevant documents. Governors receive regular training sessions at their meetings on various relevant topics.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

Southend High School for Boys Academy Trust is governed by a Board of Governors (the Governing Body) constituted under a Memorandum of Association and Articles of Association. The Governing Body is responsible for ensuring that high standards of corporate governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academy Trust, addressing such matters as:

- policy development and strategic development;
- ensuring sound management and administration of the Academy Trust;
- ensuring compliance with legal requirements;
- establishing and maintaining effective internal controls;
- the management of all resources;
- the monitoring of performance;
- helping the Academy Trust to be responsive to the needs of parents, carers and the community; and
- assessing and managing risk.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trust by the use of the budgets and strategic development plan and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The Headteacher is directly responsible for the day to day running of the Academy Trust, and is assisted by a Senior Leadership Team consisting of two Deputy Headteachers, one Assistant Headteachers and a Director of Resources. Together the Senior Leadership Team controls the Academy at an executive level, implementing the policies laid down by the Governors, reporting back to them and providing evidence, reports and data analysis to the Governing Body meetings, enabling Governors to monitor effectively.

The Academy Trust has appointed a Responsible Officer (RO), who provides independent oversight of the operation of financial management arrangements. The RO undertakes checks to help ensure that the financial responsibilities of the Governing Body are properly discharged.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust has a Pay Committee who approve all whole school pay awards. The pay policy is approved each November, based upon Essex County Council HR guidelines. The Academy Trust follows national pay and conditions and this includes all key management personnel posts. The Headteacher has the right to set or amend the pay for individual posts but any such events are reported to the next available Pay Committee for ratification.

All staff are subject to an annual performance management process. The Headteacher's Pay Committee sets the pay for the post and carries out the performance review function annually.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	-

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	5,179,558
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

The Academy Trust is a member of Consortium for Selective Schools in Essex (CSSE) who work to promote the selective schools, share best practice and develop a common approach to policy and selection procedures.

There are transactions between the Academy Trust and CSSE in relation to membership fees and payment for work undertaken on behalf of CSSE.

The Headteacher is an National Education Union (NEU) Executive Committee member and as such there are transactions between NEU and the school for work undertaken on behalf of NEU.

The Director of Resources is a member of the Institute of School Business Leadership (ISBL) and delivers training to the Academy sector on behalf of ISBL and the Education Skills Funding Agency. As such there are transactions in relation to membership fees and payment for work undertaken on behalf of ISBL.

Objectives and activities

Objectives and aims

The Academy Trust's object is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy").

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, strategies and activities

The principal activity of the Charitable Company is the operation of Southend High School for Boys Academy Trust to provide education for pupils, selected by ability between the ages of 11 and 18 with an emphasis on academic progression.

The 'Scheme of Governance' approved by the Secretary of State specifies, amongst other things, the basis for admitting students to the Academy, the provision for pupils with SEN and that the curriculum should be broad and balanced.

The main objectives of the Academy Trust are summarised below:

- To raise the standards of educational achievement of all pupils;
- To ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care;
- To improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct business in accordance with the highest standards of integrity, probity and openness.

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy Trust's objectives and aims and in planning future activities for the year. The Governors consider that the Academy Trust's aims are demonstrably to the public benefit.

Strategic report

Achievements and performance

At Southend High School for Boys, talent is nurtured and learning is valued. Challenge is welcomed, participation is expected and achievement is prized. This ethos is carried through all that the Academy Trust seeks to achieve and helps maintain a balance between academic performance and other aspects of school life.

Again, much of the academic year 2018/19 was again dominated by funding, with the curriculum living in the shadow of finance. We continued to expand pupil numbers with a plan to reach 1300 pupils for September 2019. The Academy Trust continues to successfully engage in dialogue with policy makers. The National Funding Formula has a minimum per pupil factor, which we had campaigned for, but the amount set is lower than is required so there is still more to be done in getting funding for the school to a level that allows for financial viability.

As we completed the planned expansion the Academy Trust complemented the new library block and car park with a new and larger bike enclosure offering 246 spaces for the increasing number of pupils who chose to cycle to school.

We remain the most over-subscribed secondary school in the area, and our Open Evenings serve not only as an opportunity for recruitment of new pupils but also as a celebration of the contributions made by every member of the Academy Trust team. Both our Year 6 and Sixth Form open evenings were a resounding success with the large number of visitors for both events. There is no doubt that the contributions made by pupil helpers, pupil guides, prefects, parent helpers, and a whole range of staff were invaluable in communicating the 'essence' of Southend High School for Boys Academy Trust.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

The Management Accounts contain a page on the Financial Health of the Academy Trust and it also lists four key ratios:

Ratios	2018	2019
Adjusted Current Ratio	1.13	1.65
Adjusted operating position as a % of income	-5.78%	-2.03%
Staff Costs as a % of Operating Income	88.30%	82.86%
Staff Costs as a % of Total Income	75.82%	70.40%

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Exam review

GCSE Results

In the first year with all GCSEs now numerically graded they provided a genuine challenge for all our students. The pupils responded positively with two thirds of all grades at 7 or better. The results speak for themselves and demonstrate the sustained efforts of the pupils, the excellent support they received from their teachers and that pupils thrive at the Academy Trust.

- Over 1000 GCSEs at level 7 or above
- Two thirds of all grades at 7 or better
- 273 level 9s – almost a fifth of all the results obtained
- 23 of the pupils achieved 10 or more A* equivalent grades 8 and 9 in every subject.

A2 and AS Results

A sustained spirit of expectation for every student led to another successful year. Excellent teaching and a superb working atmosphere helped dedicated students obtain record breaking results at A-level and AS-level. The results provided Sixth Form students with the very best opportunities for university entrance and their future careers.

- At A-level (A2) 80% of grades were B or better and 52% at A or A*
- 254 A or A* grades were awarded to Year 13 students
- 43 students achieved 3 or more grade As at A-level and five students with three or more A*
- 74 of the prestigious A* grades were awarded to our students

Extra-Curricular Achievements

The school supports HARP a local charity providing support and advice to the homeless of Southend. Several years ago the school community was set a challenge of bringing a thousand food items into school for the harvest assembly. As the needs of local homeless people became more widely understood, more and more pupils have responded. Pupils and families showed great generosity in our Harvest collection and our total donations to HARP have exceeded 27,500 items for the homeless.

We also celebrated our annual charity week with over 30 different events across the week. Staff and students participated in event as diverse as eating competitions, film showings, quiz nights and sports matches, and in doing so raised over £11,200 – a record amount. The money was divided equally between South East and Central Essex Mind and UNICEF.

Our pupils continue to thrive in sporting activities as well, with some notable highlights. One pupil competing in the ESSA school trials for diving came 2nd gaining both the silver medal and a personal best score of 265 points in the 3 metre board and went on to represent the school at the national finals.

We also have our second ever karate world champion. Our pupil won silver in his individual kata competition and became world champion winning gold in individual kumite (fighting). The competition was attended by 41 countries and had over 2280 entrants. The pupil subsequently secured the Southend Activity Award for young sports personality of the year.

We were also delighted to see a pupil become the European 110m Hurdle Champion who was awarded the national under 18 athlete of the year, as well as another pupil who became an international gold medallist and represented England at the Home Nations championships.

Apart from the sports activities the Academy Trust had 81 external trips during the year.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Other achievements

During the summer break, we were delighted to receive confirmation of two significant awards granted to the school. The NACE Challenge Award is an internationally recognised quality mark awarded to schools that make outstanding provision for the most able learners. Southend High School for Boys is the first school, anywhere in the world, to have secured this award for four consecutive periods.

We were also one of the first secondary schools in the country to secure the Equalities Award. This followed our submission on an extended portfolio evidencing the work we do to recognise and celebrate difference, whilst ensuring equality of opportunity, aspiration and treatment for all members of the school community irrespective of whatever characteristics may differentiate us, one from another.

Going concern

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

Financial review

A high percentage of the Academy Trust's income is obtained from the Education Skills Funding Agency (ESFA) an agency of the Department for Education (DfE), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2019, total expenditure of £7,480,190 was fully covered by grant funding from the ESFA and other incoming resources. Excluding movements on the restricted fixed asset fund, before transfers between funds and the pension scheme actuarial loss, the Academy Trust recorded an operating surplus of £149,310.

At 31 August 2019 the net book value of fixed assets was £14,147,180 and movements in tangible fixed assets are shown in Note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Academy Trust held total funds of £11,059,967. Of this balance £13,440,419 was attributable to fixed assets and grants held for capital purposes and is therefore not freely available to spend on educational activities. Likewise a balance of (£2,768,000) represents the liability of the Local Government Pension Scheme, which again distorts the true level of reserves freely available. Restricted Funds of £111,389 are also held where income has been received for specific purposes such as the Jack Petchey Award Scheme. After taking these into account the school had free reserves of £276,159. The Trustees believe that a reserve level of 30 to 60 days running costs is appropriate for a school of our size and the 3 year forecast is continually updated and shared with the ESFA to ensure that the reserves are bought back up to this level in the medium term.

The Governors have reviewed the reserves of the Academy Trust. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The level of reserves will be kept under review by the Governors and the aim is to increase reserves over a period of time.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

Free reserves available for use exclude restricted funds.

The Governors review yearly the value of Academy Trust reserves required to be held, that are not restricted to any particular purpose. We also consider our exposure to the risk of any significant loss of income or unforeseen cost. A significant drop in income is unlikely given the current government commitment to education funding, although other income dropping and unforeseen costs are risks that could crystallise. The levels of reserves held are to mitigate against these risks.

During the year, in light of our strategy and the prevailing economic circumstances, the Governors reviewed the reserves policy and agreed acceptable free reserve ranges of between one and two months aggregated expenditure (£0.5m to £1.0m) for future periods.

Noting that previously restrictions were imposed by the ESFA on the amount that could be carried forward, it was not possible to build up reserves in line with other non-educational charities. Given the current funding squeeze in the education sector, the free reserves are lower than would be desirable. This remains under close scrutiny.

The pension reserve is in deficit due to the Academy Trust's share of the LGPS liabilities exceeding its share of the assets. Plans to eliminate the deficit are incorporated into the academies plans as detailed above.

Investment policy

The Academy Trust has the power to make investment decisions as it holds cash balances as part of its reserves.

Surplus funds are held on deposit and with the relatively low level of cash reserves the Governors have taken the view that having funds locked away for periods of time could prove detrimental.

Principal risks and uncertainties

The Academy Trust has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy Trust's assets and reputation.

Based on the School Improvement Plan, the Senior Leadership Team undertakes a comprehensive review of the risks to which the Academy Trust is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy Trust. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Senior Leadership Team will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy Trust.

The risk register is maintained at the Academy Trust level which is reviewed at least annually by the Finance and Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy Trust. Not all the factors are within the school's control. Other factors besides those listed below may also adversely affect the Academy Trust.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Government revenue funding

The Academy Trust has considerable reliance on continued government funding through the education sector funding bodies. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The Academy Trust is aware of several issues which may impact on future funding:

- The proposed revisions to the national funding formula for 2021/22
- The potential change of government
- The potential government policy changes following prospect of leaving the European Union
- The increasing number of schools reporting 'going concern' issues with related press coverage
- The DfE drive towards resource management and benchmarking

This risk is mitigated in a number of ways:

- The Academy Trust seeks to maintain close external relationships with relevant bodies
- The Academy Trust updates its budget model and 3 year forecast as information arises
- The Headteacher and Director of Resources have frequent contact with ministers and senior officials

Government capital funding

Capital funding is required for maintenance of the Academy Trusts assets, such as overhauling key infrastructure components for example roof spaces and heating systems. It is also required for improvements relating to safeguarding, through the introduction of access control and traffic management. Replacement of the demountable classrooms where planning permission has lapsed also requires capital funding.

Capital funding is a bidding process that each Academy Trust with fewer than 5 schools is eligible for, and it should be noted that as the number of academies increases the amount of the funding pot does not automatically increase.

The risk is that funding bids are not successful and that key infrastructure components fail before remedial works can be carried out or that there is a serious safeguarding issue.

The risk is mitigated in a number of ways:

- The Academy Trust has retained a specialist firm to assist with bid preparation and project management
- Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Academy Trust's balance sheet in line with the requirements of FRS 102.

Fundraising

The schools approach to fundraising is balanced and appropriate for a state funded school. The opportunity for parental donations are highlighted when pupils join the school, along with a few events that the Parents Association facilitate during the course of the year.

The school has not engaged with any commercial or professional fundraisers during the year.

The school has a complaints published procedure and any matters related to fundraising are dealt with following this procedure.

Fundraising for the school is carried out by the Parents Association and the Old Southendians Association. Their fundraising activities are monitored by having governors and representatives from the school on the committees of both groups.

The school follows the Department for Education's Charging for School Activities published guidance, which includes parental donations. All communications relating to fundraising matters are monitored and approved by the Headteacher in order to protect the public from unreasonable intrusive or persistent fundraising approaches.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

The detailed plans for the next three years are contained in the School Improvement Plan.

The areas of focus for 2019/20 are:

- Leading change for the better
- Shaping the path towards young adulthood
- Optimising our practices
- Enhancing facilities provision

To achieve the desired outcomes specific objectives have been set and they include:

- Implement the new behaviour policy at classroom level
- Programme through Key Stage 4 to promote and encourage progression to Sixth Form and highest level destinations
- Targeted Pupil Premium Outreach to maximise access
- Targeted Pupil Premium interventions to ensure progress
- Expand work with ASD and mental health dimensions
- Develop programme of events to promote effective parental engagement
- Complete the Gatsby benchmarks for careers advice
- Develop new approaches to lesson observation
- Virtual Learning Environment completion and promotion
- Continue the rolling redecoration programme
- Develop the website and social media usage/content
- Increase the speed and capacity of the school's internet connection with failover
- Continue working with DfE/ESFA and ISBL on the national funding formula and keeping the school solvent

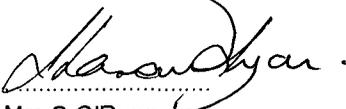
Auditor

In so far as the Governors are aware:

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

A resolution proposing that Rickard Luckin Limited be reappointed as auditor of the charitable company will be put to the members.

The governors' report, incorporating a Strategic Report, was approved by order of the Governing Body, on 26 November 2019 and signed on its behalf by:



Mrs S O'Ryan
Chair

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Southend High School For Boys Academy Trust and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
Dr M Aggarwal	2	3
Mrs S Currington (Vice Chair) (Resigned 21 October 2019)	2	3
Mr J Hendry	3	3
Dr P Husselbee (Vice Chair) (Appointed 2 October 2019)	3	3
Mrs S O'Ryan (Chair)	3	3
Dr R Bevan (Headteacher and Accounting Officer)	3	3
Mr P Crow (Staff Governor)	3	3
Mr R Olson (Staff Governor) (Resigned 12 November 2018)	0	0
Mrs J Burns (Staff Governor) (Resigned 21 October 2019)	1	2
Mr G Mather (Responsible Officer)	2	3
Mr D Colderwood (Resigned 13 August 2019)	2	3
Mrs E Bumpus (Resigned 31 December 2018)	0	1
Mr A Watts	1	3
Mrs S Alabaster	3	3
Ms T Whittington	3	3
Mr SAA Moinuddin	1	3
Mrs J Baldwin	3	3
Mr C Briggs	2	3
Mrs J De Silva (Resigned 11 November 2018)	0	0
Mr D Walden (Resigned 7 November 2019)	2	3
P Hadden (Appointed 30 April 2019)	1	1
Ms K Laycock (Appointed 30 April 2019)	1	1
A Cass (Appointed 20 December 2018)	1	2

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Governors	Meetings attended	Out of possible
Mrs S Currington (Vice Chair) (Resigned 21 October 2019)	3	4
Dr P Husselbee (Vice Chair) (Appointed 2 October 2019)	4	4
Mrs S O'Ryan (Chair)	4	4
Dr R Bevan (Headteacher and Accounting Officer)	4	4
Mr P Crow (Staff Governor)	2	4
Mr G Mather (Responsible Officer)	3	4
Mrs E Bumpus (Resigned 31 December 2018)	1	1
Mrs J Baldwin	4	4
Mr D Walden (Resigned 7 November 2019)	3	4

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by: using our own Premises staff to carry out maintenance and alterations across the school site as opposed to using more expensive contractors. This responsiveness to issues with the buildings help us maintain a very high room utilisation rate.

During the year we fitted out the new block with its furniture and equipment. Our ICT Manager was able to secure refurbished computers and screens from a specialist supplier of refurbished ICT kit to schools. The savings amounted to around 50% which led us to being able to upgrade one of our existing ICT suites as well, that was long overdue.

In the autumn of 2017 the Parliamentary Under Secretary of State for Education asked the sector to focus on Integrated Curriculum Led Financial Planning (ICLFP) as way of driving savings, efficiency and value for money. We have been actively doing this for a number of years by matching the number of taught periods on our timetable to the number of teaching periods we have available from our teaching staff. Our work in this area has led to the Director of Resources delivering the induction training and chairing the assessment panel for the national School Resource Management Advisors, as well as being the technical lead for the Institute of School Business Management on ICLFP.

Previously we have said that we planned to continue to rollout Wi-Fi across the school site and open it up to all pupils, so reducing the number of computers that the school requires. We are delighted that this is now complete and that pupils all have email accounts and access to WiFi across the entire site.

~~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 policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Southend High School For Boys Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Capacity to handle risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

The risk and control framework

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

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

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the governors have appointed Mr G Mather, a governor, to carry out a programme of internal checks as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase and sales ledgers
- testing of other income processing

On a termly basis, the RO reports to the board of governors through the finance and audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors.

Review of effectiveness

As accounting officer the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit committee/audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 25/11/2019 and signed on its behalf by:



Mrs S O'Ryan
Chair



Dr R Bevan
Headteacher and Accounting Officer

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Southend High School for Boys 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 notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Matters on which we are required to report by exception

In the light of the 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 incorporated 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 accounts 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.

Responsibilities of governors

As explained more fully in the statement of governors' responsibilities, the governors are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



Kate Bell (Senior Statutory Auditor)
for and on behalf of Rickard Luckin Limited

2nd December 2019

Chartered Accountants
Statutory Auditor

Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 31 May 2016 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 Boys Academy Trust during the period 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 Boys Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Southend High School for Boys 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 Boys Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Southend High School for Boys Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 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 period 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.

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 to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and key sub committees;
- evaluating internal control and review procedures, and reviewing findings of internal audit reviews;
- reviewing action taken as a result of recommendations from internal audit procedures, external audit, and ESFA updates;
- evaluating and documenting internal controls and testing their application by walkthrough;
- testing a sample of payments to ensure that they have been authorised in accordance with the Academy's financial procedures and the Academies Financial Handbook.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.

Rickard Luckin CMA

Reporting Accountant

Rickard Luckin Limited
Phoenix House, Suite 8
Christopher Martin Road
Basildon
Essex
SS14 3EZ

Dated: *2nd October 2019*

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

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

The governors (who act as trustees for Southend High School for Boys Academy Trust and are also the directors of Southend High School for Boys Academy Trust for the purposes of company law) are responsible for preparing the governors' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governors on 26/11/2019 and signed on its behalf by:



Mrs S O'Ryan
Chair

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Southend High School for Boys 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's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 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.

Dr R Bevan
Accounting Officer



SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	2	32,230	25,509	250,611	308,350	160,054
Charitable activities:						
- Funding for educational operations	3	418,304	6,250,747	-	6,669,051	6,055,371
Other trading activities	4	379,673	-	-	379,673	362,871
Investments	5	429	-	-	429	403
Total		830,636	6,276,256	250,611	7,357,503	6,578,699
Expenditure on:						
Charitable activities:						
- Educational operations	7	592,746	6,558,477	328,967	7,480,190	7,222,061
Total	6	592,746	6,558,477	328,967	7,480,190	7,222,061
Net income/(expenditure)		237,890	(282,221)	(78,356)	(122,687)	(643,362)
Transfers between funds	17	89,334	16,382	(105,716)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(351,000)	-	(351,000)	471,000
Net movement in funds		327,224	(616,839)	(184,072)	(473,687)	(172,362)
Reconciliation of funds						
Total funds brought forward		(51,065)	(2,039,772)	13,624,491	11,533,654	11,706,016
Total funds carried forward		276,159	(2,656,611)	13,440,419	11,059,967	11,533,654

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Income and endowments from:					
Donations and capital grants	2	66,042	68,112	25,900	160,054
Charitable activities:					
- Funding for educational operations	3	439,790	5,615,581	-	6,055,371
Other trading activities	4	362,871	-	-	362,871
Investments	5	403	-	-	403
Total		<u>869,106</u>	<u>5,683,693</u>	<u>25,900</u>	<u>6,578,699</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	1,037,624	5,918,825	265,612	7,222,061
Total	6	<u>1,037,624</u>	<u>5,918,825</u>	<u>265,612</u>	<u>7,222,061</u>
Net expenditure		(168,518)	(235,132)	(239,712)	(643,362)
Transfers between funds	17	(16,027)	-	16,027	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	471,000	-	471,000
Net movement in funds		(184,545)	235,868	(223,685)	(172,362)
Reconciliation of funds					
Total funds brought forward		133,480	(2,275,640)	13,848,176	11,706,016
Total funds carried forward		<u>(51,065)</u>	<u>(2,039,772)</u>	<u>13,624,491</u>	<u>11,533,654</u>

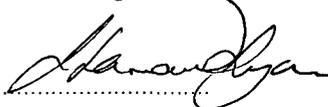
SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	11		14,147,180		14,395,211
Current assets					
Debtors	13	565,349		206,344	
Cash at bank and in hand		622,514		463,664	
			<u>1,187,863</u>		<u>670,008</u>
Current liabilities					
Creditors: amounts falling due within one year	14	(723,858)		(598,347)	
Net current assets			<u>464,005</u>		<u>71,661</u>
Total assets less current liabilities			<u>14,611,185</u>		<u>14,466,872</u>
Creditors: amounts falling due after more than one year	15		(783,218)		(788,218)
Net assets excluding pension liability			<u>13,827,967</u>		<u>13,678,654</u>
Defined benefit pension scheme liability	19		(2,768,000)		(2,145,000)
Net assets			<u><u>11,059,967</u></u>		<u><u>11,533,654</u></u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			13,440,419		13,624,491
- Restricted income funds			111,389		105,228
- Pension reserve			(2,768,000)		(2,145,000)
Total restricted funds			<u>10,783,808</u>		<u>11,584,719</u>
Unrestricted income funds	17		<u>276,159</u>		<u>(51,065)</u>
Total funds			<u><u>11,059,967</u></u>		<u><u>11,533,654</u></u>

The accounts on pages 24 to 46 were approved by the governors and authorised for issue on
and are signed on their behalf by:



Mrs S O'Ryan
Chair

Company Number 07485584

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20		(6,254)		865,157
Cash flows from investing activities					
Dividends, interest and rents from investments		429		403	
Capital grants from DfE Group		250,611		25,900	
Purchase of tangible fixed assets		(80,936)		(1,134,184)	
Net cash provided by/(used in) investing activities			170,104		(1,107,881)
Cash flows from financing activities					
Repayment of other loan		(5,000)		(5,259)	
Net cash used in financing activities			(5,000)		(5,259)
Net increase/(decrease) in cash and cash equivalents in the reporting period			158,850		(247,983)
Cash and cash equivalents at beginning of the year			463,664		711,647
Cash and cash equivalents at end of the year			622,514		463,664

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Southend High School for Boys Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

1.1 Basis of preparation

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

Southend High School for Boys Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts. The governors are confident that the correspondence they have received from the ESFA will ensure a detailed plan of support will be implemented which will ensure that the academy trust has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 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 receivable

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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the 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 period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 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 are allocated on the portion of the asset's use.

~~All resources expended are inclusive of irrecoverable VAT.~~

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.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, governors' meetings and reimbursed expenses.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets 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 that require 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, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on either a straight line or reducing balance basis over its expected useful life, as follows:

Freehold land and buildings	2%/2.5%/5% straight line basis (on buildings with an estimated useful remaining economic life of less than 50 years)
Solar panels	5% straight line basis
Computer equipment	20% straight line basis
Furniture and equipment	10% straight line basis
Motor vehicles	25% straight line basis

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.

1.6 Liabilities

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.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Taxation

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

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are 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 academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

1.10 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 Education Funding Agency (or other applicable funders) where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

1.11 Agency arrangements

The academy acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities, as the academy does not have control over the charitable application of the funds. The academy can use up to 5% of the allocation towards its own administration costs, and this is recognised in the Statement of Financial Activities.

1.12 Critical accounting estimates and areas of judgement

Accounting estimates and judgements 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.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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 18, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying value of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	250,611	250,611	25,900
Other donations	32,230	25,509	57,739	134,154
	<u>32,230</u>	<u>276,120</u>	<u>308,350</u>	<u>160,054</u>

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,169,306	6,169,306	5,560,824
Other DfE group grants	-	81,441	81,441	21,546
	<u>-</u>	<u>6,250,747</u>	<u>6,250,747</u>	<u>5,582,370</u>
Other funding				
Other incoming resources	418,304	-	418,304	473,001
	<u>418,304</u>	<u>-</u>	<u>418,304</u>	<u>473,001</u>
Total funding	<u>418,304</u>	<u>6,250,747</u>	<u>6,669,051</u>	<u>6,055,371</u>

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	22,685	-	22,685	18,436
Catering income	349,144	-	349,144	334,073
Event income	7,844	-	7,844	10,362
	<u>379,673</u>	<u>-</u>	<u>379,673</u>	<u>362,871</u>

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	429	-	429	403
	<u>429</u>	<u>-</u>	<u>429</u>	<u>403</u>

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2019 £	Total 2018 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	4,149,712	-	729,389	4,879,101	4,758,808
- Allocated support costs	1,285,096	722,287	593,706	2,601,089	2,463,253
	<u>5,434,808</u>	<u>722,287</u>	<u>1,323,095</u>	<u>7,480,190</u>	<u>7,222,061</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for audit services	12,000	11,725
Operating lease rentals	23,306	23,306
Depreciation of tangible fixed assets	323,613	265,612
Loss on disposal of fixed assets	5,354	-
Net interest on defined benefit pension liability	54,000	59,000
	<u>518,273</u>	<u>469,643</u>

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs - educational operations	223,202	4,655,899	4,879,101	4,758,808
Support costs - educational operations	369,544	2,231,545	2,601,089	2,463,253
	<u>592,746</u>	<u>6,887,444</u>	<u>7,480,190</u>	<u>7,222,061</u>
			2019	2018
			£	£
Analysis of support costs				
Support staff costs			1,285,096	1,223,504
Depreciation and amortisation			328,967	265,612
Technology costs			129,298	137,669
Premises costs			355,895	331,783
Other support costs			445,968	443,547
Governance costs			55,865	61,138
			<u>2,601,089</u>	<u>2,463,253</u>

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Governors' remuneration and expenses

One or more of the 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, and not in respect of their services as governors.

The value of governors' remuneration and other benefits was as follows:

R Bevan (Headteacher and Accounting Officer):	£150,000 - £155,000
P Crow (Staff Governor):	£55,000 - £60,000
R Olson (Staff Governor): (Resigned 12/11/18)	£0 - £5,000
J Burns (Staff Governor):	£10,000 - £15,000
A Cass (Staff Governor): (Appointed 14/12/18)	£35,000 - £40,000

The value of the above includes gross salary and pension contributions made during the year.

Those accruing retirement benefits under the Teachers' Pension Scheme and contributions in the year were as follows:

R Bevan (Headteacher and Accounting Officer):	£20,000 - £25,000
P Crow (Staff Governor):	£5,000 - £10,000
A Cass (Staff Governor):	£0 - £5,000

Those accruing retirement benefits under the Local Government Pension Scheme and contributions in the year were as follows:

R Olson (Staff Governor):	£0 - £5,000
J Burns (Staff Governor):	£0 - £5,000

There were no trustee expenses incurred during the year.

9 Staff costs

	2019	2018
	£	£
Wages and salaries	4,482,964	4,348,319
Operating costs of defined benefit pension schemes	899,174	849,864
Staff costs	5,382,138	5,198,183
Supply staff costs	15,417	12,882
Staff development and other staff costs	37,253	14,486
Total staff expenditure	<u>5,434,808</u>	<u>5,225,551</u>

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff costs

(Continued)

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2019 Number	2018 Number
Teachers	68	68
Administration and support	61	66
Management	5	5
	<u>134</u>	<u>139</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	2	-
£130,001 - £140,000	1	1
	<u>5</u>	<u>4</u>

Three of the above employees participated in the Teachers' Pension Scheme. During the year employer's pension contributions for these staff amounted to £53,452 (2018 - £43,331). The other employee participated in the Local Government Pension Scheme and employer's pension contributions amounted to £17,171 (2018 - £13,571).

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £539,301 (2018 - £500,804).

10 Governors and officers insurance

The academy has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects ~~governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on~~ academy trust business. The insurance provides cover up to £10,000,000.

It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Tangible fixed assets

	Freehold land and buildings	Solar panels	Computer equipment	Furniture and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2018	14,820,103	252,404	404,746	528,960	40,500	16,046,713
Additions	20,388	-	42,235	18,313	-	80,936
Disposals	-	-	-	(5,949)	-	(5,949)
At 31 August 2019	14,840,491	252,404	446,981	541,324	40,500	16,121,700
Depreciation						
At 1 September 2018	923,667	70,460	325,274	303,626	28,475	1,651,502
On disposals	-	-	-	(595)	-	(595)
Charge for the year	218,761	12,620	35,160	53,172	3,900	323,613
At 31 August 2019	1,142,428	83,080	360,434	356,203	32,375	1,974,520
Net book value						
At 31 August 2019	13,698,063	169,324	86,547	185,121	8,125	14,147,180
At 31 August 2018	13,896,436	181,944	79,472	225,334	12,025	14,395,211

12 Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	565,349	206,344
Carrying amount of financial liabilities		
Measured at amortised cost	1,507,076	1,386,565

13 Debtors

	2019	2018
	£	£
Trade debtors	18,923	36,419
Other debtors	77,149	15,707
Prepayments and accrued income	469,277	154,218
	565,349	206,344

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14 Creditors: amounts falling due within one year	2019 £	2018 £
Other loans	5,000	5,000
Trade creditors	43,236	39,854
Other taxation and social security	105,955	95,962
Other creditors	170,721	114,024
Accruals and deferred income	398,946	343,507
	<u>723,858</u>	<u>598,347</u>

£5,000 (2018 - £5,000) relates to a Salix loan. Details of this loan are provided below.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Other loans	783,218	788,218
	<u>783,218</u>	<u>788,218</u>
Analysis of loans		
Wholly repayable within five years	788,218	793,218
Less: included in current liabilities	(5,000)	(5,000)
	<u>783,218</u>	<u>788,218</u>
Amounts included above	<u>783,218</u>	<u>788,218</u>
Loan maturity		
Debt due in one year or less	5,000	5,000
Due in more than one year but not more than two years	5,000	5,000
Due in more than two years but not more than five years	7,500	12,500
Due in more than five years	770,718	770,718
	<u>788,218</u>	<u>793,218</u>

£12,500 (2018 - £17,500) relates to a Salix loan. Salix is part of the Academies Capital Maintenance Fund Scheme and the Academy Trust was successful in bidding for a grant for heating works. The savings generated from the improvements service the loan. The loan is interest free for a term of 8 years and is repaid in two instalments a year of £2,500 which started in March 2015.

In 2017 an amount of £1,541,953 was awarded from the Capital Improvement Fund. 50% of this amount was received as a loan. Repayment of the loan will not commence until completion of the project and the Academy meets the ESFA affordability criteria (assessed annually). On this basis the entirety of the loan balance of £770,718 is disclosed as payable in more than 5 years.

16 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	217,698	166,256
	<u>217,698</u>	<u>166,256</u>
Deferred income at 1 September 2018	166,256	133,526
Released from previous years	(166,256)	(133,526)
Resources deferred in the year	217,698	166,256
	<u>217,698</u>	<u>166,256</u>
Deferred income at 31 August 2019	<u>217,698</u>	<u>166,256</u>

At the balance sheet date the academy was holding funds received in advance for educational trips which would be occurring in the next financial year.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

	Balance at 1 September 2018	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2019
	£	£	£	£	£
Restricted general funds					
General Annual Grant	-	6,169,306	(6,169,306)	-	-
Other DfE / EFA grants	-	81,441	(76,814)	-	4,627
Other restricted funds	105,228	25,509	(40,357)	16,382	106,762
	<u>105,228</u>	<u>6,276,256</u>	<u>(6,286,477)</u>	<u>16,382</u>	<u>111,389</u>
Funds excluding pensions	105,228	6,276,256	(6,286,477)	16,382	111,389
Pension reserve	(2,145,000)	-	(272,000)	(351,000)	(2,768,000)
	<u>(2,039,772)</u>	<u>6,276,256</u>	<u>(6,558,477)</u>	<u>(334,618)</u>	<u>(2,656,611)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	13,624,491	250,611	(328,967)	(105,716)	13,440,419
	<u>13,624,491</u>	<u>250,611</u>	<u>(328,967)</u>	<u>(105,716)</u>	<u>13,440,419</u>
Total restricted funds	<u>11,584,719</u>	<u>6,526,867</u>	<u>(6,887,444)</u>	<u>(440,334)</u>	<u>10,783,808</u>
Unrestricted funds					
General funds	(51,065)	830,636	(592,746)	89,334	276,159
	<u>(51,065)</u>	<u>830,636</u>	<u>(592,746)</u>	<u>89,334</u>	<u>276,159</u>
Total funds	<u>11,533,654</u>	<u>7,357,503</u>	<u>(7,480,190)</u>	<u>(351,000)</u>	<u>11,059,967</u>

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

Restricted general funds and other restricted funds

These relate to the Academy Trust's development and operational activities. Under the Funding Agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Restricted fixed asset fund

These grants relate to the Academy Trust's share of the deficit of the Pension Scheme.

Pension reserve

The pension reserve relates to the Academy Trust's share of the deficit of the Pension Scheme.

The academy is carrying a net deficit of £276,156 on unrestricted funds plus a net surplus of £111,389 restricted general funds (excluding pension reserve). The academy is also carrying £nil of unspent capital grants relating to works being carried out in the next financial year.

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	14,147,180	14,147,180
Current assets	293,659	229,202	63,957	1,187,863
Creditors falling due within one year	(5,000)	(117,813)	-	(723,858)
Creditors falling due after one year	(12,500)	-	(770,718)	(783,218)
Defined benefit pension liability	-	(2,768,000)	-	(2,768,000)
Total net assets	276,159	(2,656,611)	13,440,419	11,059,967

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	14,395,211	14,395,211
Current assets	(28,565)	682,204	-	670,008
Creditors falling due within one year	(5,000)	(576,976)	-	(598,347)
Creditors falling due after one year	(17,500)	-	(770,720)	(788,218)
Defined benefit pension liability	-	(2,145,000)	-	(2,145,000)
Total net assets	(51,065)	(2,039,772)	13,624,491	11,533,654

19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £493,514 (2018 - £477,706).

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 scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % 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.

Total contributions made	2019	2018
	£	£
Employer's contributions	189,000	168,000
Employees' contributions	58,000	55,000
Total contributions	247,000	223,000

Principal actuarial assumptions	2019	2018
	%	%
Rate of increases in salaries	3.70	3.80
Rate of increase for pensions in payment	2.20	2.30
Discount rate	1.85	2.65
Inflation assumption (CPI)	2.20	2.30
Inflation assumption (RPI)	3.20	3.20

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pensions and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	+0.1%	0.0%	-0.1%
Adjustment to discount rate	£000	£000	£000
Present value of total obligation	4,857	4,963	5,072
Projected service cost	394	403	413

	+0.1%	0.0%	-0.1%
Adjustment to long term salary increase	£000	£000	£000
Present value of total obligation	4,977	4,963	4,949
Projected service cost	403	403	403

	+0.1%	0.0%	-0.1%
Adjustment to pension increases and deferred revaluation	£000	£000	£000
Present value of total obligation	5,057	4,963	4,871
Projected service cost	412	403	394

	+1 Year	None	-1 Year
Adjustment to life expectancy assumptions	£000	£000	£000
Present value of total obligation	5,159	4,963	4,775
Projected service cost	418	403	388

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
Retiring today		
- Males	21.3	22.3
- Females	23.6	24.8
Retiring in 20 years		
- Males	23.0	24.5
- Females	25.4	27.1

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pensions and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	1,383,000	1,153,000
Other bonds	123,000	106,000
Gilts	121,000	97,000
Cash	64,000	62,000
Property	176,000	162,000
Other assets	328,000	233,000
Total market value of assets	2,195,000	1,813,000
Actual return on scheme assets - gain/(loss)	160,000	37,000
Amounts recognised in the statement of financial activities	2019 £	2018 £
Current service cost (net of employee contributions)	351,000	371,000
Net interest cost	54,000	59,000
Plan introductions, benefit changes, curtailments and settlements	55,000	-
Total operating charge	460,000	430,000

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of the FRS 17 is a £1,336,000 loss (2018 - £738,000 loss).

Changes in the present value of defined benefit obligations	2019 £
Obligations at 1 September 2018	3,958,000
Current service cost	351,000
Interest cost	105,000
Employee contributions	58,000
Actuarial loss	515,000
Benefits paid	(24,000)
At 31 August 2019	4,963,000

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pensions and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets	2019 £
Assets at 1 September 2018	1,813,000
Administration expenses	(1,000)
Interest income	51,000
Return on plan assets less interest	109,000
Employer contributions	189,000
Employee contributions	58,000
Benefits paid	(24,000)
At 31 August 2019	<u>2,195,000</u>

20 Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(122,687)	(643,362)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(250,611)	(25,900)
Investment income receivable	(429)	(403)
Defined benefit pension costs less contributions payable	218,000	204,000
Defined benefit pension net finance cost	54,000	59,000
Depreciation of tangible fixed assets	323,613	265,612
Loss on disposal of fixed assets	5,354	-
(Increase)/decrease in debtors	(359,005)	1,397,765
Increase/(decrease) in creditors	125,511	(391,555)
Net cash (used in)/provided by operating activities	<u>(6,254)</u>	<u>865,157</u>

21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	23,306	23,306
Amounts due in two and five years	34,960	58,266
	<u>58,266</u>	<u>81,572</u>

SOUTHEND HIGH SCHOOL FOR BOYS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust 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. The following related party transaction took place in the period of account:

The Academy Trust is a member of Consortium for Selective Schools in Essex (CSSE) which works to promote the selective schools, share best practice and develop a common approach to policy and selection procedures. There are transactions between the Academy Trust and CSSE in relation to membership fees and payment for work undertaken on behalf of CSSE. During the year the Academy Trust paid £17,147 (2018:£15,193) for services provided by the CSSE and received £1,800 (2018: £395) for services provided by the Headteacher in relation to setting papers for the 11+ and standardisation.

The Head teacher is an Executive Committee member of the National Education Union (NEU). There are transactions between NEU and the Academy Trust for work undertaken on behalf of NEU. During the year the Academy Trust received £19,075 (2018: £3,271) for services provided by the Headteacher in relation to NEU National Executive duties.

Other close relationships between governors and the senior management team and employees of the academy are as follows:

- Mrs R Worth (Assistant Headteacher) is the spouse of Mr P Worth (Head of Music)
- Dr R Bevan (Headteacher) is the domestic partner of Mrs C Higgs (Officer Manager & Clerk to the governors)

The above interests are disclosed at Governors meetings. There is no participation by any relevant individual in decisions relating to these entities. No benefits were received from any of these arrangements.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £17,190 (2018 - £18,976) and disbursed £28,989 (2018 - £13,905) from the fund. An amount of £13,094 (2018 - £25,703) is included in other creditors relating to undistributed funds that is repayable to EFA.

Also included in other creditors is an amount of £nil (2018 - £nil) relating to undistributed funds collected for charity by pupils.