Registered number: 07954295

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SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

SOUTH ESSEX COMMUNITY SCHOOL LIMITED
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2016

Members

R Wright
G Whiteley
S Ling-Locke
S Cox

Trustees

R Wright, Chair of Governors
G Whiteley, Vice Chair
S Ling - Locke
A Turner, Principal
S Cox
R Gray (resigned 1 November 2016)
L Morris (appointed 8 March 2016)
M Broomfield (appointed 1 November 2016)

Company registered number

07954295

Company name

South Essex Community School Limited

Principal and registered office

Ticket House, 110 East Street, Prittlewell, Southend on sea, SS2 6LH

Senior management team

A Turner, Principal and Accounting Officer
R Gray, Deputy Head Teacher (resigned 31 August 2016)
B Smith, Chief Finance Officer
A Gavin, Special Educational Needs Coordinator
M Broomfield, Deputy Head Teacher (appointed 1 September 2016)

Independent auditors

MWS, Kingsridge House, 601 London Road, Westcliff on sea, Essex, SS0 9PE

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The academy also trades under the name Southend YMCA Community School.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of South Essex Community School Limited are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Southend YMCA Community School.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The number of governors shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The academy trust shall have the following governors (details have been extracted from the articles of association):

- up to eight governors as appointed by the Southend YMCA;
- up to two parent governors who are parents of registered pupils at the alternative provision academy or, where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age;
- the principal;
- the chief executive officer of Southend YMCA; and
- one staff governor as appointed by the members through such process as they may determine.

Staff and parent governors are recruited by nomination and election by all staff and the parent body. Community trustees are recruited by invitation from the chair or headteacher or persons known to the academy who are able to benefit the academy by their knowledge and expertise.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All governors are expected to undertake training as appropriate to their work at the school and new governors are provided with an induction programme as required. Governor training is reviewed on a regular basis at governors meetings.

The academy trust conducts a skill audit of prospective governors and uses a safer recruitment process to appoint governors in order to safeguard young people.

e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Pay for senior leaders is reviewed annually by the governors pay committee following the outcome of performance reviews.

f. ORGANISATIONAL STRUCTURE

The school is increasing capacity in September 2016 to 50 places and as such will be reflected with the staffing numbers and structure. In order to plan for September 2017 a new pay and performance structure has been implemented from April 2016. This includes clear arrangements for setting the pay and remuneration of the academy's key appraisal system and performance indicators for every staff member. This new structure clearly defines the line management and delegation of duties from SLT through to support and administrative staff.

The success of this school and the best outcome for its students is dependent on the competence and commitment of all staff. It is essential that everyone employed by the school is given an opportunity, within the resources available, to develop skills to perform their job to the highest standard. It is also crucial that individual performance is managed effectively and individuals understand their role and how this links with the school's priorities.

This Staff Appraisal and Performance Process sets out a framework to help the school achieve these priorities through the effective management of its staff. Staff are also encouraged and expected to take this opportunity to take responsibility for the continuous improvement of the school and of their own skills and contributions.
There is no automatic incremental pay progression system for staff. The Headteacher will recommend on an annual basis to the Finance Committee whether staff should receive an increment, based on performance managed through this Process, outcome of targets met and overall performance. If the Finance Committee decides to award a member of staff increment progression then this will normally be applied on 1st September of each academic year.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Southend YMCA is the children's charity providing services to vulnerable young people in Southend. These range from Housing, mentoring though to support services. Southend YMCA Community School was borne out of the work of the main charity. Southend YMCA Community School accounts are consolidated with the main charity, both organisations have separate auditors.

One of the schools objectives was to review the schools current pay policy and performance management within the school. This review has been carried out and the new pay policy and performance mgmt. procedure is now in place. There was a cost to carry out the piece of work and a significant cost to implement however the school now has a pay policy that is in line with other local schools and staff are clear on what is expected of them as the targets set to achieve the schools aims are linked to pay.

Strategic report

Objectives and Activities

a. OBJECTS AND AIMS

The Southend YMCA Community School is an Alternative Provision Free School which provides a secondary education to pupils who by reason of illness, disability, social, emotional or behavioural issues or any other compounding factor need alternative arrangements to be made for them to ensure they receive a suitable education.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Our passion is to provide vulnerable and disadvantaged young people with experiences and opportunities that other young people receive as a norm. We aim to increase the life chance of deprived young people and help them to overcome socio-economic barriers. As a result we offer young people opportunities to realise successful transitions into adulthood such that they can 'contribute, thrive and belong.'

We aim to help young people 'build their future' through providing a holistic education where pupils aged 14-16 acquire the knowledge skill, experiences and qualifications to make the successful transition to adulthood thus narrowing the attainment gap.

The curriculum offered is tailor made to include both academic and personal and social development. Each student is given the opportunity to gain five GCSEs in English Language, English Literature, ICT, Media Studies and Maths.

Our Vision - Southend YMCA Community School's vision is to 'Stand in the Gap' by offering an alternative education free school to improve the education offer for young people that cannot be educated within the mainstream education setting. Our school aims to address the needs and aspirations of disadvantaged young people and communities and help to transform their lives. Our ethos is enshrined in the UN Convention of the child and as such reflected within our guiding values. We firmly believe young people should receive;

- Acceptance – a sense of welcome without condemnation
- Encouragement – to reach potential and overcome obstacles
- Kindness – to be treated without favouritism
- Provision – abundant resources to experiment and try developmental opportunities
- Safety – to live in peace, protected from abuse and harm.
- Enjoyment – the opportunity to undertake enjoyable, developmental activities.
- Freedom – to follow hopes and aspirations

c. PUBLIC BENEFIT

The governors confirm that they have referred to the guidance contained in the Charity Commission 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.

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

Targets for 2016/17								
Subject	Sat	C Grade	D Grade	E Grade	F Grade	G Grade	U Grade	Grade A-G
ICT	100%	3%	15%	15%	26%	26%	15%	100%
English Lang	100%	9%	24%	48%	9%	10%	0%	100%
English Lit	100%	6%	24%	51%	9%	10%	0%	100%
Maths	100%	9%	24%	48%	9%	10%	0%	100%
Media	100%							100%

Strong partnerships have been established with commissioning schools and local authorities, with an upward trajectory of schools making referrals for our service (14 commissioners with 39 students on roll; 59% of students are eligible for pupil premium and 49% students are eligible for Free School Meals).

b. REVIEW OF ACTIVITIES

Southend YMCA Community School has made significant strides forward since the Ofsted inspection June 2015. Our work has been externally validated with the school achieving the Quality standard marks for Equality and Diversity and the bronze award for our work with Young Carers. With the appointment of our SENCO the school has effectively developed a targeted programme to meet the needs of our SEN students. The GCSE results show an upward trajectory of students gaining QCF recognised qualifications outshining their peers within the alternative education setting.

Statistics show that nationally students at the end of key stage 4 in alternative provision including pupil referral units achieve 63.4% lower than students at Southend YMCA Community School (GCSE related). Students at Southend YMCA Community School achieve significantly higher than their peers nationally at the end of key stage 4 in alternative provision (including pupil referral units);

- With 82.3% in Southend YMCA Community School gaining A* - G in English and Maths GCSE or equivalent compared to their peers achieving 18.9% in England. 100% of all Southend YMCA Community School students being entered for a GCSE or equivalent qualification compared to the national mainstream provision of 99.4%
- 100% of students at Southend YMCA Community School achieve a pass in any qualification compared to their peers nationally at 57.7% and 99.2% achieving at least one qualification in state funded mainstream sector
- 100% of students are entered for GCSE qualifications compared to 99.4% of all state funded mainstream schools

Southend YMCA Community School effectively worked with a number of external agencies and have developed strong partnerships which clearly enhance the support provided to our students through specialist workshops and mentoring programmes including; drug & alcohol team, youth offending work, sexual health workshops, mental health counselling through to one-to-one work with advocates through national and local charities.

Southend YMCA Community School has developed a rigorous School Improvement Plan to secure our vision of being an 'Outstanding' Alternative Education School. Through our on-going self-evaluation and review processes we have identified our key priorities and areas for development outlined within this plan.

Southend YMCA Community School staff team inspire our students through their unrelenting drive to remove barriers to learning and improve the life chances of these often vulnerable young people. The team is committed to driving up standards of teaching and learning with assessment as our key priority for the academic year 2016/17; we recognise that all areas of school improvement support and strengthen the delivery of teaching and learning; particularly in light that Ofqual has recently outlined changes to GCSE and A-Level assessments 'with the 2016 GCSE results showing the biggest decline in pupils obtaining A* - C grades since the late 1980's it is essential that schools have a clearer understanding of what new assessments will requires from a teaching perspective' (24th October 2016). In order to ameliorate the areas that are not yet outstanding, Southend YMCA Community School aims to drive up improvement from good to outstanding. Our SIP sets stretching and challenging targets for 2016/17;

The school was again inundated with referrals for 2016/17 with our fourth year of recruitment met.

c. INVESTMENT POLICY AND PERFORMANCE

The academy trust aims to manage its cash balances to provide for day-to-day operations.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 Accounting Policies.

b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures: these systems reflect the segregation of duties and a clear system of delegation and accountability. Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees at the Finance sub-committee and then ratified at the full governing body meetings; these include 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 guidelines, delegation of authority and segregation of duties through to identification and management of risks. The board of trustees has considered the need for a specific internal audit function and has decided to appoint Southend Borough Council to work with Billie Smith, the Business Manager to carry out internal checks.

Internal control is an annual controls check carried out by the Finance team at Southend Borough Council, they carry out rigorous testing on all aspects of day to day finance and check that the school is adhering to the academies handbook. The findings of the audit along with recommendations is compiled and a report is produced to present to the board of directors. The recommendations/audit process allows the school tighten procedures if necessary and be more robust in our approach to financial management in school.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy Trust has a comprehensive Risk Register which is reviewed regularly. Falling pupil numbers would impact on funding streams for the Academy, making a deficit budget a possibility and affecting long-term viability. Consequently pupil forecasts are monitored carefully and appropriate responsive action is taken.

d. RESERVES POLICY

It is the policy of the academy trust to maintain a level of reserves that is sufficient to meet its future obligations and the School. The board will review the reserves in the first term of 2016 will convene a specific meeting to agree the strategic direction of use of financial reserves going forward.

e. PRINCIPAL FUNDING

The academy trust's principal funding source is the Education Funding Agency (EFA), an agency of the Department for Education.

The majority of this funding is in the form of recurrent grants, the use of which is restricted for particular purposes. As such, grants received from the EFA and any associated expenditure are included within the restricted funds in the Statement of Financial Activities.

The academy trust also received grants from the EFA to be used for capital purposes. These amounts are includes within the restricted fixed asset funds and any associated expenditure is capitalised in the balance sheet and is presented as fixed assets.

Commissioning schools provide a significant proportion of the academy trust's funding. This funding and any associated expenditure are included within restricted funds in the Statement of Financial Activities.

Plans for future periods

a. FUTURE DEVELOPMENTS

Southend YMCA Community School has moved forward in terms of reflecting mainstream curriculum and inspection outcomes. New staff recruited to the school will need to demonstrate both academic ability coupled with experience of working with students with social, emotional and behavioural difficulties. While the school recognises that regular teacher pay and conditions are not adhered to, the new pay and performance scheme is significantly aligned with this compared with the previous terms and conditions.

Existing staff will be upskilled to ensure they have the most relevant competences and strategies to aid school improvement. Learning support assistants will be given the opportunity to train as mentors, coaches or where appropriate teachers.

Our school ethos is to work with students therapeutically and our future plan is to utilise our finances to support the employment of specialist therapeutic staff to support the challenges and situations the students and staff encounter.

FUNDS HELD AS CUSTODIAN

The trust did not hold any funds as custodian at the year end.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, MWS, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report, incorporating a strategic report, was approved by order of the board of trustees as the company directors, on 13 December 2016 and signed on its behalf by:

....

R Wright, Chair of Governors
Trustee

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 South Essex Community School Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Wright, Chair of Governors	5	5
G Whiteley, Vice Chair	5	6
S Ling - Locke	1	5
A Turner, Principal	5	5
S Cox	3	5
R Gray	3	6
L Morris	1	5
M Broomfield	0	0

Governance Reviews

The Academy Trust has undertaken the preliminary work to review the effectiveness of the trustees through implementation of review and evaluations systems, this work will be consolidated within the academic year 2016/17 (term one). This work will involve analysis of impact and a skills gap audit informing our trustee recruitment needs.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal has responsibility for ensuring that the academy 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 academy'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 appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

As accounting officer (Annette Turner) has responsibility for ensuring that the academy trust delivers good value in the use of public resources. Annette Turner understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Example 1
Annette Turner considers the trust's use of its resources both physical and human and ensures that the school is gaining good value for money. The benchmarking data for staff salaries clearly shows that the school is employing staff below the current market value. In order to attract qualified, experienced staff the school has addressed the salaries through an external job evaluation process; the new performance management structure will be implemented in September 2016. Trustees have been updated and consulted within the development process aiming to improve the value for money moving forward.

Example 2

As a small school economies of scale is an aspect that we recognise requires careful consideration. An example of this being gaining assistance with school improvement. School Improvement consultants generally have fixed prices for their work and do not take into consideration the low numbers on roll at the school; consequently our GAG funding is much smaller than our peers in larger schools. Annette Turner has managed to negotiate with a local private school to become our school improvement partner and for the head teacher to provide Annette with ongoing mentorship all at a reduced price, gaining value for money.

Example 3
The school outsources its catering/cleaning and premises management to external suppliers which reduces staff overhead costs and allows the YMCA community school to buy in minimal hours/services as and when required dependant on pupils numbers and income received in that financial period.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy 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 South Essex Community School Limited for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The academy'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 trustees;
- regular reviews by the Trustees 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 trustees has considered the need for a specific internal audit function and has decided to appoint Southend Finance Team as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 internal auditor;

GOVERNANCE STATEMENT (continued)

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 13 December 2016 and signed on their behalf, by:

A. Turner

R Wright, Chair of Governors
Trustee

A Turner, Principal
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of South Essex Community School Limited I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees 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 2015.

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 trustees and EFA.

A. Turner

A Turner
Accounting Officer

Date: 13 December 2016

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of South Essex Community School Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 13 December 2016 and signed on its behalf by:

....
R Wright, Chair of Governors
Trustee

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH ESSEX COMMUNITY SCHOOL LIMITED

We have audited the financial statements of South Essex Community School Limited for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH ESSEX COMMUNITY SCHOOL LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Jonathan Gorridge FCA (Senior statutory auditor)

for and on behalf of

MWS

Kingsridge House
601 London Road
Westcliff on sea
Essex
SS0 9PE
13 December 2016

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO SOUTH ESSEX COMMUNITY SCHOOL LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 6 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Essex Community School Limited during the year 1 September 2015 to 31 August 2016 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 South Essex Community School Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South Essex Community School Limited and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than South Essex Community School Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF SOUTH ESSEX COMMUNITY SCHOOL LIMITED'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of South Essex Community School Limited's funding agreement with the Secretary of State for Education dated 1st September 2013, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

Based upon our risk assessment of material non-compliance, we carried out detailed testing of the specific income streams from the EFA, and the related expenditure streams, to which specific conditions had been attached.

We evaluated the control environment of the Academy Trust, extending the procedures required for the financial statements to include regularity. We tested a sample of the specific control activities over regularity of particular activities. We confirmed that the Academy Trust had not entered into any borrowing arrangements. We carried out substantive testing of fixed assets to confirm that no sales of any assets had taken place. We reviewed the list of suppliers to consider whether any supplies were made by related parties connected to the Principal, Finance Manager or any Governor.

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO SOUTH ESSEX COMMUNITY SCHOOL LIMITED AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Jonathan Gorridge FCA (Senior statutory auditor)

for and on behalf of

MWS

Kingsridge House
601 London Road
Westcliff on sea
Essex
SS0 9PE

13 December 2016

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
INCOME FROM:						
Donations and capital grants	2	355	-	23,124	23,479	*984,921*
Charitable activities	3	-	644,259	-	644,259	*568,621*
Other trading activities	4	2,113	-	-	2,113	-
TOTAL INCOME		2,468	644,259	23,124	669,851	*1,553,542*
EXPENDITURE ON:						
Charitable activities		2,029	549,982	64,925	616,936	*588,624*
TOTAL EXPENDITURE	7	2,029	549,982	64,925	616,936	*588,624*
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		439	94,277	(41,801)	52,915	*964,918*
Transfers between Funds	15	(562)	(15,098)	15,660	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(123)	79,179	(26,141)	52,915	*964,918*
Actuarial losses on defined benefit pension schemes	20	(8,000)	-	-	(8,000)	*(1,000)*
NET MOVEMENT IN FUNDS		(8,123)	79,179	(26,141)	44,915	*963,918*
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,508	237,085	2,099,688	2,339,281	*1,375,363*
TOTAL FUNDS CARRIED FORWARD		(5,615)	316,264	2,073,547	2,384,196	*2,339,281*

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 07954295

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		**2,071,505**		*2,116,147*
CURRENT ASSETS					
Debtors	13	**6,974**		*51,011*	
Cash at bank and in hand		**399,322**		*291,866*	
		406,296		*342,877*	
CREDITORS: amounts falling due within one year	14	**(78,605)**		*(117,743)*	
NET CURRENT ASSETS			**327,691**		*225,134*
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,399,196**		*2,341,281*
Defined benefit pension scheme liability	20		**(15,000)**		*(2,000)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**2,384,196**		*2,339,281*
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	**323,264**		*239,085*	
Restricted fixed asset funds	15	**2,073,547**		*2,099,688*	
Restricted income funds excluding pension liability		**2,396,811**		*2,338,773*	
Pension reserve		**(15,000)**		*(2,000)*	
Total restricted income funds			**2,381,811**		*2,336,773*
Unrestricted income funds	15		**2,385**		*2,508*
TOTAL FUNDS			**2,384,196**		*2,339,281*

The financial statements were approved by the Trustees, and authorised for issue, on 13 December 2016 and are signed on their behalf, by:

R Wright, Chair of Governors
Chair of Trustees

A Turner, Principal
Trustee

The notes on pages 21 to 36 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	*2015* *£*
Cash flows from operating activities			
Net cash provided by operating activities	18	**104,615**	*88,743*
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(20,283)**	*(991,168)*
Capital grants from DfE/EFA		**23,124**	*983,790*
Net cash provided by/(used in) investing activities		**2,841**	*(7,378)*
Change in cash and cash equivalents in the year		**107,456**	*81,365*
Cash and cash equivalents brought forward		**291,866**	*210,501*
Cash and cash equivalents carried forward		**399,322**	*291,866*

1. ACCOUNTING POLICIES

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 of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

South Essex Community School Limited constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

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

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

1. ACCOUNTING POLICIES (continued)

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 allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Fixtures and fittings	-	25% reducing balance
Computer equipment	-	3 year straight line

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

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

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

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

1.11 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Taxation

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 Pensions

1. ACCOUNTING POLICIES (continued)

Retirement benefits to employees of the academy 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.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
Donations	355	-	-	355	*1,131*
Government grants	-	-	23,124	23,124	*983,790*
Total donations and capital grants	355	-	23,124	23,479	*984,921*

In 2015, of the total income from donations and capital grants, £ *NIL* was to unrestricted funds and £*984,921* was to restricted funds

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
DfE/EFA grants				
General Annual Grant	-	420,090	420,090	*339,010*
Other DfE/EFA Grants	-	31,437	31,437	-
	-	451,527	451,527	*339,010*
Other funding				
Commissioning income	-	192,732	192,732	*229,611*
	-	192,732	192,732	*229,611*
	-	644,259	644,259	*568,621*

In 2015, of the total income from charitable activities, £ *NIL* was to unrestricted funds and £*568,621* was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
Catering income	2,113	-	2,113	-

In 2015, of the total income from other trading activities, £*2,113* was to unrestricted funds and £ *NIL* was to restricted funds.

5. DIRECT COSTS

	Educational operations £	Total 2016 £	*Total 2015 £*
Educational supplies	**38,349**	**38,349**	*27,146*
Examination fees	**3,585**	**3,585**	*8,021*
Staff development	**4,182**	**4,182**	*7,596*
Educational consultancy	**300**	**300**	*7,598*
Other direct costs	**23,663**	**23,663**	-
Technology costs	**2,029**	**2,029**	*12,314*
Security and transport	**1,078**	**1,078**	-
Catering	**6,965**	**6,965**	-
Wages and salaries	**280,143**	**280,143**	*201,198*
National insurance	**21,508**	**21,508**	*14,528*
Pension cost	**35,152**	**35,152**	*14,745*
Depreciation	**64,925**	**64,925**	*66,607*
	481,879	**481,879**	*359,753*

6. SUPPORT COSTS

	Educational operations £	Total 2016 £	*Total 2015 £*
Technology costs	**2,503**	**2,503**	*1,125*
Maintenance of premises	**10,289**	**10,289**	*5,746*
Cleaning	**2,611**	**2,611**	*5,943*
Rent and rates	**6,339**	**6,339**	*2,040*
Energy costs	**10,045**	**10,045**	*7,238*
Insurance	**7,201**	**7,201**	*13,596*
Security and transport	**207**	**207**	*3,226*
Bank interest and charges	**313**	**313**	-
Legal and professional fees	**43,548**	**43,548**	*22,967*
Other support costs	**4,360**	**4,360**	*38,854*
Wages and salaries	**33,211**	**33,211**	*115,316*
National insurance	**1,553**	**1,553**	*5,378*
Pension cost	**6,777**	**6,777**	*7,442*
	128,957	**128,957**	*228,871*

During the year ended 31 August 2016, the academy incurred the following Governance costs:

£6,100 *(2015 - £22,967)* included within the table above in respect of Educational operations.

7. EXPENDITURE

	Staff costs 2016 £	**Premises 2016 £**	**Other costs 2016 £**	**Total 2016 £**	*Total 2015 £*
Educational operations:					
Direct costs	**336,803**	**64,925**	**80,151**	**481,879**	*359,753*
Support costs	**41,541**	**26,673**	**60,743**	**128,957**	*228,871*
	378,344	**91,598**	**140,894**	**610,836**	*588,624*

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	*2015 £*
Depreciation of tangible fixed assets:		
- owned by the charity	**64,925**	*66,607*
Auditors' remuneration - audit	**6,100**	*6,500*
Auditors' remuneration - other services	**-**	*8,850*

9. STAFF COSTS

Staff costs were as follows:

	2016 £	*2015* *£*
Wages and salaries	305,481	*294,773*
Social security costs	23,061	*19,906*
Operating costs of defined benefit pension schemes	41,929	*22,186*
	370,471	*336,865*
Supply teacher costs	7,873	*21,742*
	378,344	*358,607*

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

	2016 No.	*2015* *No.*
Teachers	4	*4*
Administration and support	6	*6*
Management	4	*4*
	14	*14*

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the academy trust comprise the trustees 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 £160,360 (2015: £82,618).

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2016 £	*2015* *£*
R Gray	Remuneration	35,000-40,000	*35,000-40,000*
	Pension contributions paid	10,000-15,000	*0-5,000*
A Turner, Principal	Remuneration	50,000-55,000	*35,000-40,000*
	Pension contributions paid	10,000-15,000	*0-5,000*

During the year, no Trustees received any reimbursement of expenses (2015 - £46).

11. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects 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. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	2,072,951	47,690	62,362	2,183,003
Additions	17,482	-	2,801	20,283
At 31 August 2016	2,090,433	47,690	65,163	2,203,286
Depreciation				
At 1 September 2015	33,959	12,110	20,787	66,856
Charge for the year	34,309	8,895	21,721	64,925
At 31 August 2016	68,268	21,005	42,508	131,781
Net book value				
At 31 August 2016	2,022,165	26,685	22,655	2,071,505
At 31 August 2015	*2,038,992*	*35,580*	*41,575*	*2,116,147*

Included in land and buildings is freehold land at valuation of £625,000 (*2015* - £625,000) which is not depreciated.

13. DEBTORS

	2016 £	*2015 £*
Trade debtors	763	*20,392*
Amounts owed by group undertakings	-	*8,099*
Other debtors	-	*9,394*
Prepayments and accrued income	5,226	*5,194*
Tax recoverable	985	*7,932*
	6,974	*51,011*

14. CREDITORS: Amounts falling due within one year

	2016 £	*2015 £*
Trade creditors	9,055	*8,693*
Other creditors	52,575	*86,462*
Accruals and deferred income	16,975	*22,588*
	78,605	*117,743*

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	2,508	2,468	(2,029)	(562)	-	2,385
Restricted funds						
General Annual Grant (GAG)	-	420,090	(420,090)	-	-	-
Commissioning fund	239,085	192,732	(103,190)	(15,098)	-	313,529
Pupil premium	-	18,594	(8,859)	-	-	9,735
Other EFA grants	-	12,843	(12,843)	-	-	-
Pension reserve	(2,000)	-	(5,000)	-	(8,000)	(15,000)
	237,085	644,259	(549,982)	(15,098)	(8,000)	308,264
Restricted fixed asset funds						
Donated on conversion	718,604	-	(1,950)	-	-	716,654
Capital grants	1,372,344	23,124	(60,790)	-	-	1,334,678
Assets purchased from GAG and other funds	8,740	-	(2,185)	15,660	-	22,215
	2,099,688	23,124	(64,925)	15,660	-	2,073,547
Total restricted funds	2,336,773	667,383	(614,907)	562	(8,000)	2,381,811
Total of funds	2,339,281	669,851	(616,936)	-	(8,000)	2,384,196

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

Restricted general funds
These funds relate to the Academy's development and operational activities.

15. STATEMENT OF FUNDS (continued)

Restricted pension funds
These funds represent the LGPS obligation to the employees of the Academy Trust.

Restricted fixed asset fund
These funds relate to long term assets held by the Academy Trust and grants to purchase or maintain these assets.

Unrestricted funds
These funds relate to amounts generated or acquired with no restricted covenants attached to them other than for use within the charitable objects of the Academy.

Restriction on surplus GAG

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

16. TRANSFERS BETWEEN FUNDS

Funds have been transferred in respect of the following;

£15,098 has been transferred from restricted funds to restricted fixed asset funds to cover an anticipated cash deficit on the restricted fixed asset fund.

£562 has been transferred from unrestricted funds to restricted fixed asset funds as the net book value of assets purchased from unrestricted funds.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	**Restricted funds 2016 £**	**Restricted fixed asset funds 2016 £**	**Total funds 2016 £**	*Total funds 2015 £*
Tangible fixed assets	-	-	**2,071,505**	**2,071,505**	*2,116,146*
Current assets	**2,385**	**379,488**	**24,423**	**406,296**	*342,878*
Creditors due within one year	-	**(56,224)**	**(22,381)**	**(78,605)**	*(117,743)*
Provisions for liabilities and charges	-	**(15,000)**	-	**(15,000)**	*(2,000)*
	2,385	**308,264**	**2,073,547**	**2,384,196**	*2,339,281*

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	**52,915**	*964,918*
Adjustment for:		
Depreciation charges	**64,925**	*66,607*
Decrease in debtors	**44,038**	*52,870*
Decrease in creditors	**(39,139)**	*(12,862)*
Capital grants from DfE and other capital income	**(23,124)**	*(983,790)*
Defined benefit pension scheme cost less contributions payable	**5,000**	*1,000*
Net cash provided by operating activities	**104,615**	*88,743*

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	**399,322**	*291,866*
Total	**399,322**	*291,866*

20. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value

20. PENSION COMMITMENTS (continued)

of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £34,347 *(2015 - £23,813).*

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £7,000 *(2015 - £8,044)*, of which employer's contributions totalled £5,000 *(2015 - £6,442)* and employees' contributions totalled £2,000 *(2015 - £1,602)*. The agreed contribution rates for future years are 14.5% for employers and 5.5% to 12.5% for employees.

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

	2016	2015
Discount rate for scheme liabilities	**2.20 %**	*4.00 %*
Rate of increase in salaries	**4.10 %**	*4.50 %*
Rate of increase for pensions in payment / inflation	**2.30 %**	*2.70 %*
RPI Increases	**3.20 %**	*3.60 %*
CPI increases	**2.30 %**	*2.70 %*

20. PENSION COMMITMENTS (continued)

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

	2016	*2015*
Retiring today		
Males	**22.9**	*22.8*
Females	**25.3**	*25.2*
Retiring in 20 years		
Males	**25.2**	*25.1*
Females	**27.7**	*27.6*

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	*Fair value at 31 August 2015 £*
Equities	**10,000**	*5,000*
Gilts and other bonds	**2,000**	*1,000*
Property	**2,000**	*1,000*
Alternative assets and other managed funds	**2,000**	*1,000*
Cash	**1,000**	*-*
Total market value of assets	**17,000**	*8,000*

The actual return on scheme assets was £2,000 *(2015 - £1,000)*.

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	*2015 £*
Current service cost (net of employee contributions)	**(10,000)**	*(7,000)*
Actual return on scheme assets	**2,000**	*1,000*

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

	2016 £	*2015 £*
Opening defined benefit obligation	**10,000**	*-*
Current service cost	**10,000**	*7,000*
Contributions by employees	**2,000**	*1,000*
Actuarial losses	**10,000**	*2,000*
Closing defined benefit obligation	**32,000**	*10,000*

20. PENSION COMMITMENTS (continued)

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

	2016 £	*2015* *£*
Opening fair value of scheme assets	**8,000**	*-*
Actuarial gains and (losses)	**2,000**	*1,000*
Contributions by employer	**5,000**	*6,000*
Contributions by employees	**2,000**	*1,000*
Closing fair value of scheme assets	**17,000**	*8,000*

21. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	*2015* *£*
Amounts payable:		
Between 1 and 5 years	**1,060**	*-*

22. MEMBERS' LIABILITY

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

23. RELATED PARTY TRANSACTIONS

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

The academy trust is a subsidiary undertaking of Southend YMCA. During the year the following transactions occurred:

Southend YMCA recharged the academy trust £12,953 (2015 £53,729) for seconded staff.

In addition to the above, Southend YMCA charged the academy £8,619 (2015 £13,103) for services.

At the balance sheet date, the academy trust owed £7,504 to Southend YMCA (2015 £8,099).

All transactions were conducted on an arms length basis as set out in the deed of agreement.

24. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.