Registered number: 07954295

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017

Members

R Wright
G Whiteley
S Ling-Locke
S Cox, On behalf of Southend YMCA
J Glazier

Trustees

J Glazier, Chair of Governors (appointed 28 November 2017)
R Wright
G Whiteley (resigned 18 September 2017)
S Ling - Locke (resigned 18 September 2017)
A Turner, Principal
S Cox
R Gray (resigned 1 October 2016)
L Morris
M Broomfield (appointed 1 November 2016)
K Ager (appointed 17 May 2017)
A Bright (appointed 7 February 2017)
M Bright (appointed 7 February 2017)
C Gostling (appointed 7 February 2017)
K Norman, Vice Chair (appointed 7 February 2017)

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 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. 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 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. ORGANISATIONAL STRUCTURE

The school has sustained the capacity numbers of students and has a constant waiting list for school places.

The School has established a good reputation within the community and among its peers within the education sector, both locally and nationally, for delivering 'Good' alternative education. The introduction of School based policies and procedures has enabled the recruitment of qualified and experienced teaching, learning and support staff, broadening and enriching the curriculum and building the capacity and capability of the staff team.

The new pay and performance structure was implemented from April 2016. This provided clear arrangements for setting the pay and remuneration of the academy's key appraisal system and performance indicators for every staff member moving into 2016/17 academic year. This new structure clearly defines the line management and delegation of duties from SLT through to support and administrative staff. The impact of this scheme has proved positive in terms of efficiency and responsibility and ownership for areas of work.

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.
The success of this school and the best outcome for its pupils 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.
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 for each academic year.

f. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

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

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.

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

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 passion is to provide vulnerable and disadvantaged young people with learning experiences and opportunities that other young people receive as a norm. We aim to increase the life chances of deprived young people and help them to overcome socio-economic barriers. Alternative Provision is for pupils who can't attend mainstream school for a variety of reasons, such as school exclusion, behaviour issues, short- or long-term illness, school refusal or teenage pregnancy. It is our mission and vision to ensure all children receive a high-quality education aiding a positive transition into adulthood thus narrowing the attainment gap.

Southend YMCA Community School is located in the heart of Southend. Southend has an estimated population close to 178,000, Southend is one of the largest conurbations in the East of England. Our town is changing. We are gradually becoming more ethnically diverse and the number of older people is increasing. Deprivation in Southend is higher than the England average and the regional average. In 2015, 25.8% (45,840 people) of Southend residents lived within areas classified as being in the 20% most deprived in England.

The majority (79.4%) of Southend's children have a good standard of living that promotes their long term wellbeing, but more needs to be done to improve the life chances of those living in poverty. The level of child poverty in Southend-on-Sea (20.6%) is worse than the England average (18.6%) and the regional average (15.4%). Our data identifies that year on year we attract a higher percentage of students eligible for pupil premium, 2017/18 45% are eligible for pupil premium.

Southend YMCA Community School is an alternative education provider serving the schools within Southend, Essex and Thurrock. We pride ourselves on providing a holistic education programme addressing both academic and social skills. Aiding our students by equipping them with the skills to successfully enter the next stage of their life post compulsory school age. We know that Southend has a higher rate of adults of working age that claim out of work benefits, 13.7% compared to the national average of 11.7%. It is our mission to ensure each pupil secures a positive destination post 16. 2016/17 saw 83% placed with a positive destination.

Statistics show that nationally pupils at the end of key stage 4 in alternative provision including pupil referral units achieve lower than their peers within the mainstream school setting. Pupils at Southend YMCA Community School achieve significantly higher than their peers in alternative provision. 100% of all Southend YMCA Community School pupils are entered for a GCSE programmes including Maths and English.

The curriculum offer has significantly widened with the GCSE offer increasing year on year. With academic results showing an upward trajectory of pupils gaining QRF qualifications similar to their peers within the mainstream education setting. We are mindful of the number of adults living within Southend who do not hold any qualifications (10.4%), this is higher than the national average (8.8%). We work tirelessly to ensure our pupils do not add to this statistic. 2016/17 GCSE results evidence this work, with 89% of pupils gaining GCSE qualifications, 65% gaining a GCSE result for both Maths and English and 35% achieving 5 GCSE's.

We have made significant strides forward since the Ofsted inspection (June 2015). The school is on a continual improvement cycle and has seen the capacity of school double since opening. The school is thriving and our reputation is growing which is strongly reflected within the number of referrals the school receives, often the demand for places exceeds the capacity of our provision.

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.

Strategic report

Achievements and performance

a. KEY PERFORMANCE INDICATORS

Subject	B Grade	C Grade	D Grade	E Grade	F Grade	G Grade	U Grade	Grade A-G
ICT GCSE	0%	0%	5%	5%	20%	30%	40%	60%
English Language GCSE	0%	0%	12%	19%	38.4%		19%	69%
English Literature GCSE	0%	0%	4%	23%	31%		31%	58%
Maths GCSE	4%	12%	4%	23%	42%		8%	85%
Media NCFE								86%

Headlines

- 89% of our students passed at least one GCSE
- 35% of our students passed all five GCSE's
- 19% of our students passed four GCSE's
- 15% of our students passed three GCSE's
- 13% of our students passed two GCSE's
- 7% of our students passed one GCSE's

Financial KPI

Please note that as we have movement in pupil numbers due to the nature of the school throughout the year the figures below are based on are average throughout the year of 45 pupils

1. Salaries as a percentage of GAG income = 88.29%
2. Salaries as a percentage of total income (including commissioning schools income) = 56.85%
3. Total Income per pupil £14,317
4. GAG income per pupil £9,219
5. Total salary cost per pupil £8,139

b. 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.

Financial review

a. RESERVES POLICY

It is the policy of the Academy trust to maintain a level of reserves that is sufficient to meet its future obligations. The board met in July 2017 to approve the proposed utilisation of the reserves fund. The school is now obtaining quotes for air conditioning throughout the building and is working with the National Apprenticeship Scheme to offer work opportunities to a former student.

b. 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.

c. 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.

Plans for future periods

a. FUTURE DEVELOPMENTS

Southend YMCA Community School has implemented a range of new systems that are more in-line with the mainstream school day; timetable, lesson duration, movement around the school. The staff team reflect a wealth of experience and knowledge to support the students' needs both academically and socially. The curriculum provides opportunities for the students to achieve 5 GCSE's to aid positive progression post compulsory school age. The school aims to increase this offer to 8 GCSE's for 2017/18. All qualifications offered will be externally recognised with QRF status.

A key feature of the curriculum is embedding the personal and social development work through the academic curriculum. In addition to this the school has a range of additional support services offered to all students including; a mentoring programme, counselling service promoting and developing the student's emotional resilience and emotional intelligence.

Southend YMCA Community School signed up to work with the Education Support Partnership; a national education charity which supports people working in education to be at their best. The aim of this programme for our school staff was to provide a specialist CPD programme that focuses on the wellbeing, resilience, engagement and effectiveness of people working in academies, schools, colleges, universities and local authorities.
While the school recognises that regular teacher pay and conditions are not adhered to, the pay and performance scheme is significantly aligned with this compared with previous terms and conditions; this will be reflected within new contracts due to be issued at the start of academic year 2017/18.

FUNDS HELD AS CUSTODIAN

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

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have 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.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2017 and signed on its behalf by:

K. W. Norman
....

K Norman , Vice 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 7 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
J Glazier, Chair of Governors	0	0
R Wright	5	7
G Whiteley	0	6
S Ling - Locke	0	5
A Turner, Principal	7	7
S Cox	5	7
R Gray	0	0
L Morris	2	7
M Broomfield	7	7
K Ager	3	3
A Bright	3	5
M Bright	3	5
C Gostling	4	5
K Norman, Vice Chair	5	5

Governance Reviews

The Governance arrangements has been a key focus this academic year. The membership of the board has been under review with the aim to restructure the membership at both member and governor level by the start of September 2017. This work has involved reviewing the arrangements between the YMCA Charity and the School. The outcome of this work has led to a full skills audit for all board members and a commitment to review, amend or remove the Deed of Agreement and update the Memorandum and Articles in-line with the model articles produced by the Department for Education by the end of the academic year 2017/18. The recruitment of trustees has enabled the school to restructure the meetings supported with sub-committees.

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.

Southend YMCA Community School provides an informative and effective Impartial Information Advice and Guidance (IAG) service. The cost of this service is vastly reduced as a result of the students being dual registered. This is also applicable to the school nursing service.

While our school places are largely funded through the General Annual Grant, the school relies on the commissioned places for the top up funding. With commissioned places reviewed annually, funding and sustainability is a key focus in terms of risk management. With the fragility of one year contracts the School has employed 8 members of our staff team are currently employed through Reed Recruitment services.

The School has an exceptional highly trained Business Manager who is constantly seeking to reduce costs and gain value for money. We have demonstrated this from refuse collection costs through to larger contracts such as Reed Recruitment and Ricoh. The Business Manager works closely with the procurement team at Southend Borough Council to ensure that the school secures large contracts at low rates by requesting the school is on the same pricing framework as Southend Borough Council.The advantage of this is that the Southend YMCA Community School can access very competitive rates that would not ordinarily be offered to us as an Academy. The risks are lower for the school under these umbrella contracts.

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 2016 to 31 August 2017 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 2016 to 31 August 2017 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. In particular the checks carried out in the current period included:
-following a sample of items through the purchasing system
-sample checking the procurement processes have been followed

GOVERNANCE STATEMENT (continued)

-sample checking petty cash reconciliations
-following a sample of items through the income processing system
-sample checking bank reconciliations
-sample checking additional duties and expense claims
-sample checking vat claims

On a yearly 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;
- 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 11 December 2017 and signed on their behalf, by:

K.V. Norman
K Norman, Vice Chair of Governors
Trustee

A Turner
A Turner, Principal
Accounting Officer

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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 ESFA.

A. Turner

A Turner
Accounting Officer

Date: 11 December 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills 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 2016 to 2017;
- 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 ESFA/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 11 December 2017 and signed on its behalf by:

K. W. Norman
....

K Norman, Vice Chair of Governors
Trustee

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

OPINION

We have audited the financial statements of South Essex Community School Limited for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy'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 Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

Jonathan Gorridge FCA (Senior statutory auditor)

for and on behalf of

MWS

Kingsridge House
601 London Road
Westcliff on sea
Essex
SS0 9PE
11 December 2017

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

In accordance with the terms of our engagement letter dated 6 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 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 South Essex Community School Limited and the ESFA, 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 ACCOUNTANT

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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

Finance Manager or any Governor.

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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

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

11 December 2017

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
INCOME FROM:						
Donations and capital grants	2	2,423	-	5,181	7,604	*23,479*
Charitable activities	3	-	748,372	-	748,372	*644,259*
Other trading activities	4	4,073	-	-	4,073	*2,113*
TOTAL INCOME		6,496	748,372	5,181	760,049	*669,851*
EXPENDITURE ON:						
Charitable activities		4,350	765,017	67,060	836,427	*616,936*
TOTAL EXPENDITURE	7	4,350	765,017	67,060	836,427	*616,936*
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		2,146	(16,645)	(61,879)	(76,378)	*52,915*
Transfers between Funds	17	-	(8,915)	8,915	-	*-*
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		2,146	(25,560)	(52,964)	(76,378)	*52,915*
Actuarial gains/(losses) on defined benefit pension schemes	22	-	45,000	-	45,000	*(8,000)*
NET MOVEMENT IN FUNDS		2,146	19,440	(52,964)	(31,378)	*44,915*
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,385	308,264	2,073,547	2,384,196	*2,339,281*
TOTAL FUNDS CARRIED FORWARD		4,531	327,704	2,020,583	2,352,818	*2,384,196*

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 07954295

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		2,024,932		2,071,504
CURRENT ASSETS					
Debtors	15	15,233		6,975	
Cash at bank and in hand		463,344		399,322	
		478,577		406,297	
CREDITORS: amounts falling due within one year	16	(116,691)		(78,605)	
NET CURRENT ASSETS			361,886		327,692
TOTAL ASSETS LESS CURRENT LIABILITIES			2,386,818		2,399,196
Defined benefit pension scheme liability	22		(34,000)		(15,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			2,352,818		2,384,196
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	361,704		323,264	
Restricted fixed asset funds	17	2,020,583		2,073,547	
Restricted income funds excluding pension liability		2,382,287		2,396,811	
Pension reserve		(34,000)		(15,000)	
Total restricted income funds			2,348,287		2,381,811
Unrestricted income funds	17		4,531		2,385
TOTAL FUNDS			2,352,818		2,384,196

The financial statements on pages 18 to 40 were approved by the Trustees, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:

K.W. Norman

K Norman, Vice Chair of Governors
Chair of Trustees

A. Turner

A Turner, Principal
Trustee

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	*2016 £*
Cash flows from operating activities			
Net cash provided by operating activities	20	**79,329**	*104,615*
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(20,488)**	*(20,283)*
Capital grants from DfE/ESFA		**5,181**	*23,124*
Net cash (used in)/provided by investing activities		**(15,307)**	*2,841*
Change in cash and cash equivalents in the year		**64,022**	*107,456*
Cash and cash equivalents brought forward		**399,322**	*291,866*
Cash and cash equivalents carried forward	21	**463,344**	*399,322*

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, 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. ACCOUNTING POLICIES (continued)

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 receipt is probable and it is measurable.

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

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

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.

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

All expenditure is inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

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 and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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.

1.7 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.

1.8 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. ACCOUNTING POLICIES (continued)

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.11 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.

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 22, 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.

1. ACCOUNTING POLICIES (continued)

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.

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Donations	2,423	-	-	2,423	*355*
Government grants	-	-	5,181	5,181	*23,124*
	2,423	-	5,181	7,604	*23,479*
Total 2016	*355*	-	*23,124*	*23,479*	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
DfE/ESFA grants				
General Annual Grant	-	414,836	414,836	*420,090*
Other DfE/EFA Grants	-	27,240	27,240	*31,437*
	-	442,076	442,076	*451,527*
Other government grants				
Butterfly project income	-	10,000	10,000	-
Total 2017	-	10,000	10,000	-
Other funding				
Commissioning income	-	296,296	296,296	*192,732*
	-	296,296	296,296	*192,732*
	-	748,372	748,372	*644,259*
Total 2016	-	*644,259*	*644,259*	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Catering income	4,073	-	4,073	*2,113*
Total 2016	*2,113*	-	*2,113*	

5. DIRECT COSTS

	Educational operations £	Total 2017 £	*Total 2016 £*
Educational supplies	33,997	33,997	*38,349*
Examination fees	13,294	13,294	*3,585*
Staff development	6,984	6,984	*4,182*
Educational consultancy	-	-	*300*
Other direct costs	73,194	73,194	*23,663*
Technology costs	903	903	*2,029*
Wages and salaries	359,424	359,424	*280,143*
National insurance	30,433	30,433	*21,508*
Pension cost	35,323	35,323	*35,152*
Depreciation	67,060	67,060	*64,925*
	620,612	620,612	*473,836*
At 31 August 2016	*473,836*	*473,836*	

6. SUPPORT COSTS

	Educational operations £	Total 2017 £	*Total 2016 £*
Pension income	1,000	1,000	*-*
Technology costs	90	90	*2,503*
Maintenance of premises	16,897	16,897	*10,289*
Cleaning	6,797	6,797	*2,611*
Rent and rates	4,811	4,811	*6,339*
Energy costs	8,924	8,924	*10,045*
Insurance	800	800	*7,201*
Security and transport	544	544	*1,285*
Catering	10,884	10,884	*6,965*
Bank interest and charges	370	370	*313*
Legal and professional fees	45,794	45,794	*43,548*
Other support costs	8,644	8,644	*10,460*
Wages and salaries	35,775	35,775	*33,211*
National insurance	2,485	2,485	*1,553*
Pension cost	72,000	72,000	*6,777*
	215,815	215,815	*143,100*
At 31 August 2016	*143,100*	*143,100*	

During the year ended 31 August 2017, the academy incurred the following Governance costs:

£6,000 *(2016 - £6,100)* included within the table above in respect of Educational operations .

7. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	*Total 2016 £*
Educational operations:					
Direct costs	431,870	-	188,742	620,612	*473,836*
Support costs	103,570	100,238	12,007	215,815	*143,100*
	535,440	100,238	200,749	836,427	*616,936*
Total 2016	*378,344*	*91,598*	*146,894*	*616,836*	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	*Total 2016 £*
Educational operations	**620,612**	**215,815**	**836,427**	*616,936*
Total 2016	*473,836*	*143,100*	*616,936*	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	*2016 £*
Depreciation of tangible fixed assets:		
- owned by the charity	**67,060**	*64,925*
Auditors' remuneration - audit	**6,000**	*6,100*
Operating lease rentals	**1,060**	*1,060*

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	366,275	305,481
Social security costs	32,918	23,061
Operating costs of defined benefit pension schemes	107,323	41,929
	506,516	370,471
Supply teacher costs	1,924	7,873
Staff restructuring costs	27,000	-
	535,440	378,344

Staff restructuring costs comprise:

Severance payments	27,000	-

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

	2017 No.	2016 No.
Teachers	4	4
Administration and support	9	6
Management	4	4
	17	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 £160,760 (2016: £160,360).

11. 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:

		2017	*2016*
		£	*£*
R Gray	Remuneration		*35,000-40,000*
	Pension contributions paid		*10,000-15,000*
A Turner, Principal	Remuneration	**50,000-55,000**	*50,000-55,000*
	Pension contributions paid	**5,000-10,000**	*10,000-15,000*
M Broomfield	Remuneration	**30,000-35,000**	
	Pension contributions paid	**5,000-10,000**	

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

12. 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.

13. OTHER FINANCE INCOME

	2017	*2016*
	£	*£*
Interest on pension scheme liabilities	**(1,000)**	*-*

14. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	2,090,432	47,690	65,163	2,203,285
Additions	4,350	13,303	2,835	20,488
At 31 August 2017	2,094,782	60,993	67,998	2,223,773
Depreciation				
At 1 September 2016	68,268	21,005	42,508	131,781
Charge for the year	34,396	9,997	22,667	67,060
At 31 August 2017	102,664	31,002	65,175	198,841
Net book value				
At 31 August 2017	1,992,118	29,991	2,823	2,024,932
At 31 August 2016	*2,022,164*	*26,685*	*22,655*	*2,071,504*

15. DEBTORS

	2017 £	*2016 £*
Trade debtors	(487)	*763*
Prepayments and accrued income	10,621	*5,227*
Tax recoverable	5,099	*985*
	15,233	*6,975*

16. CREDITORS: Amounts falling due within one year

	2017 £	*2016 £*
Trade creditors	-	*9,055*
Other creditors	61,241	*52,575*
Accruals and deferred income	55,450	*16,975*
	116,691	*78,605*

17. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General funds	2,385	6,496	(4,350)	-	-	4,531
Restricted funds						
General Annual Grant (GAG)	-	414,836	(414,836)	-	-	-
Commissioning fund	313,529	296,296	(252,634)	(8,915)	-	348,276
Pupil premium	9,735	26,368	(32,675)	-	-	3,428
Other EFA grants	-	10,872	(872)	-	-	10,000
Pension reserve	(15,000)	-	(64,000)	-	45,000	(34,000)
	308,264	748,372	(765,017)	(8,915)	45,000	327,704
Restricted fixed asset funds						
Donated on conversion	716,654	-	(16,950)	-	-	699,704
Capital grants	1,334,678	5,181	(24,030)	-	-	1,315,829
Assets purchased from GAG and other funds	22,215	-	(26,080)	8,915	-	5,050
	2,073,547	5,181	(67,060)	8,915	-	2,020,583
Total restricted funds	2,381,811	753,553	(832,077)	-	45,000	2,348,287
Total of funds	2,384,196	760,049	(836,427)	-	45,000	2,352,818

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Gains/ (Losses) £*	*Balance at 31 August 2016 £*
Unrestricted funds						
General funds	*2,508*	*2,468*	*(2,029)*	*(562)*	*-*	*2,385*
	2,508	*2,468*	*(2,029)*	*(562)*	*-*	*2,385*

17. STATEMENT OF FUNDS (continued)

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)	-	-	6,555
	-	-	-	15,660	-	15,660
	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.

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 2017.

18. TRANSFERS BETWEEN FUNDS

Funds have been transferred in respect of the following;

£8,915 has been transferred from the restricted fund to the restricted fixed asset fund representing capital expenditure paid from the restricted fund.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,024,933	2,024,933
Current assets	4,531	474,045	-	478,576
Creditors due within one year	-	(112,341)	(4,350)	(116,691)
Provisions for liabilities and charges	-	(34,000)	-	(34,000)
	4,531	327,704	2,020,583	2,352,818

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2017 £	*2016 £*
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(76,378)	*52,915*
Adjustment for:		
Depreciation charges	67,060	*64,925*
(Increase)/decrease in debtors	(8,258)	*44,038*
Increase/(decrease) in creditors	38,086	*(39,139)*
Capital grants from DfE and other capital income	(5,181)	*(23,124)*
Defined benefit pension scheme cost less contributions payable	64,000	*5,000*
Net cash provided by operating activities	79,329	*104,615*

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	*2016* *£*
Cash in hand	463,344	*399,322*
Total	463,344	*399,322*

22. 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 2016.

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

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

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

During the 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 is currently underway based on April 2016 data, whereupon the employer contribution rate is

22. PENSION COMMITMENTS (continued)

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 £37,406 *(2016 - £34,347)*.

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 2017 was £12,000 *(2016 - £7,000)*, of which employer's contributions totalled £9,000 *(2016 - £5,000)* and employees' contributions totalled £3,000 *(2016 - £2,000)*. The agreed contribution rates for future years are 17.1% 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:

	2017	*2016*
Discount rate for scheme liabilities	2.50 %	*2.20 %*
Rate of increase in salaries	4.10 %	*4.10 %*
Rate of increase for pensions in payment / inflation	2.60 %	*2.30 %*
RPI increases	3.50 %	*3.20 %*
CPI increases	2.60 %	*2.30 %*

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

	2017	*2016*
Retiring today		
Males	22.2	*22.9*
Females	24.7	*25.3*
Retiring in 20 years		
Males	24.3	*25.2*
Females	27	*27.7*

Sensitivity analysis	At 31 August 2017 £	*At 31 August 2016 £*
Discount rate +0.1%	170,000	*31,000*
Discount rate -0.1%	176,000	*33,000*
Mortality assumption - 1 year increase	179,000	*33,000*
Mortality assumption - 1 year decrease	168,000	*31,000*
Long term salary increase +0.1%	173,000	*32,000*
Lond term salary increase -0.1%	173,000	*32,000*

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	*Fair value at 31 August 2016 £*
Equities	**91,000**	*10,000*
Gilts	**9,000**	*1,000*
Corporate bonds	**5,000**	*1,000*
Property	**13,000**	*2,000*
Cash	**4,000**	*1,000*
Alternative assets	**11,000**	*1,000*
Other managed funds	**6,000**	*1,000*
Total market value of assets	**139,000**	*17,000*

The actual return on scheme assets was £24,000 *(2016 - £2,000)*.

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

	2017 £	*2016 £*
Current service cost	**(25,000)**	*(10,000)*
Past service cost	**(47,000)**	-
Interest cost	**(1,000)**	-
Total	**(73,000)**	*(10,000)*
Actual return on scheme assets	**24,000**	*2,000*

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

	2017 £	*2016 £*
Opening defined benefit obligation	**32,000**	*10,000*
Current service cost	**25,000**	*10,000*
Interest cost	**5,000**	-
Employee contributions	**3,000**	*2,000*
Actuarial (gains)/losses	**(21,000)**	*10,000*
Liabilities assumed /(estinguished) on settlements	**129,000**	-
Closing defined benefit obligation	**173,000**	*32,000*

22. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	17,000	8,000
Interest income	4,000	-
Actuarial losses	24,000	2,000
Employer contributions	9,000	5,000
Employee contributions	3,000	2,000
Settlement prices received / (paid)	82,000	-
Closing fair value of scheme assets	139,000	17,000

23. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	1,060	1,060
Between 2 and 5 years	1,060	2,120
Total	2,120	3,180

24. 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.

25. 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 in a partnership with the Southend YMCA. During the year the following transactions occurred:

Southend YMCA recharged the academy trust £2,233 (2016 £12,953) for seconded staff.

In addition to the above, Southend YMCA charged the academy £11,070 (2016 £8,619) for services.

At the balance sheet date, the academy trust owed £9,142 to Southend YMCA (2016 £7,504).

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