Company Registration Number: 07954295 (England & Wales)

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

CONTENTS

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	R Wright G Whiteley S Ling-Locke Southend YMCA J Glazier
Trustees	J Glazier, Chair of Governors S Cox M Bright (resigned 8 February 2021) K Norman, Vice Chair R Wright L Thorne, Principal C Thomas K Bainbridge
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	L Thorne, Principal and Accounting Officer A Kipps, Chief Finance Officer Phil Turner, Attendance and Safeguarding lead Sue Faulks, Associate Head Collett Hallett, Associate Head Christopher Thomas, Associate Head
Independent auditors	MWS Chartered Accountants Statutory Auditor Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. 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 operates 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 also known as Southend YMCA Community School.

Details of the Trustees who served during the year, and to the date these accounts are approved 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 students 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.

Structure, governance and management (continued)

d. Policies 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 the number of commissioning schools has steadily increased; widening the number of schools to include Essex schools and Virtual schools across the county. The number of students that are Looked After and that require higher SEN support has increased as has the support roles within the School structure.

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 School is represented at the borough at a strategic level and contributes to shaping the service delivery across the borough. Including Social Care, Virtual School Board, Education Board. The School has now been accredited with a nationally recognised Well-being award and has staff trained in both Mental Health First Aid as well as Team Teach instructors for de-escalation and restraint training.

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 School has employed external consultants to assist in developing and improving the quality of provision; this includes a School Improvement Partner and H&S Consultants adding both capacity and technical knowledge.

f. Arrangements for setting pay and remuneration of key management personnel

Pay for senior leaders is reviewed annually by the governors pay committee following the outcome of performance reviews.
The pay structure and scale has been updated to reflect the national pay structures within Alternate Provisions. Each role within the school has a pay scale that supports progression but is capped in line with other schools.

g. Related parties and other connected charities and organisations

Southend YMCA is the children’s charity providing services to vulnerable young people in Southend. These range from housing, mentoring through 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. The Deed of Agreement between the School and the Charity is being reviewed.

Objectives and activities

a. Objects and aims

Alternative Provision is for students who cannot attend mainstream school for a variety of reasons, such as school exclusion, behaviour issues, short or long-term illness, school refusal, teenage pregnancy, high level anxiety or where it was considered that a bigger school setting was not the correct environment for them to be successful in education. It is our mission and vision to ensure all children receive a high-quality education.

Objectives and activities (continued)

b. Objectives, strategies and activities

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 young people and help to transform their lives through education.

Demographics of Southend
Southend YMCA Community School is located in the heart of Southend. Southend has an estimated population close to 185,000, 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 2020-21 the number of economically inactive people stood at 17.5% compared to the national average of 21.6%. Workless households for Southend stood at 9.3% compared to the national average of 13.6%. With 5.8% of the Southend population claiming out of work benefits, slightly higher than the national average of 4.8% for working age benefit claimants. (In 2015, 25.8% (45,840 people) of Southend residents lived within areas classified as being in the 20% most deprived in England). 40% of Southend residents live in areas considered to be in the most deprived 30% in the country, with 8 neighbourhoods falling into the 10% most deprived in the country.

The majority (81.1%) 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 (18.9%) is worse than the England average (16.8%) and the regional average (13.9%) (2017 borough figures). Our data identifies that year on year we attract a higher percentage of students eligible for pupil premium, 2020/21 55% are eligible for pupil premium, 44% were FSM, 19% had an EHCP and 11% were LAC.

Our work
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, pastoral 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.

Statistics show that nationally students at the end of key stage 4 (14 to 16 compulsory school age) in alternative provision including pupil referral units achieve lower than their peers within the mainstream school setting. Students at Southend YMCA Community School achieve significantly higher than their peers in alternative provision. 100% of all Southend YMCA Community School students are entered for programmes including Maths and English. Our results clearly show our progress over the past two years to make a difference to the life chances and opportunities of the students that attend the school.

Southend YMCA Community School Ethos
Our school ethos is one of Respect, Potential while being Restorative to help students experience success with academic and pastoral progress at the heart of our work. As practitioners we are proud to say that our alternative approach, which is often unique, centres upon behaviour modification. We do not condone poor behaviour, but are guided by an aspirational philosophy aiming to eliminate unacceptable behaviour and guide students down a different pathway. It is evident that our daily approach to working with these vulnerable and often marginalised young people centres on guidance and role modelling rather than punishment and rigid fixed boundaries. This approach, where students feel valued and heard, does not totally eliminate but significantly reduces such negative behaviours.

Staff demonstrate daily their passion for inclusivity. Students often arrive at the school disillusioned with the education system. Their behaviours often exhibit a disregard for authority coupled with negative experiences of adults involved with them and their families. Building positive relationships with our students is pivotal in breaking down their previously construed understanding of education. Our pursuit is to engage our students and aid their desire to learn and form better relationships with those in authority.

Objectives and activities (continued)

Staff within the school demonstrate an unquenchable thirst for changing the lives of our students. This is demonstrable through the unconditional regard for students, modelling suitable behaviours and engineering a less chaotic/harsh, more forgiving and acceptable environment conducive to absorbing information and learning. We aim to equip our students with the skills, knowledge and aspiration to integrate within mainstream society post compulsory education age.

We take a therapeutic approach to working with these often challenging students. Staff work hard not to over punish the students for behaviours attributable to the challenging and often chaotic lives they are born into; despite these remarkable life experiences many students accept the additional support offered through the school to raise self esteem and self belief; the school work in close partnership with a number of support agencies including; social care, police, attendance officer, counselling, youth offending, drug and alcohol teams through to the emotional wellbeing and mental health services.

Our curriculum is designed to support the students in maximising progress and attainment. Students undertake a broad, rich and deep curriculum which provides both the academic rigour of GCSE national qualifications fused with a life skills programme to develop them as good citizens; humanising teachers and those within authority and not simply teaching to test. Students are encouraged to develop their community spirit through community projects within the areas they reside.

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 a number of GCSE's to aid positive progression post compulsory school age. All qualifications offered will be externally recognised with QCF status.

A key feature of the curriculum is embedding the personal and social development work through the academic curriculum. The number of students who are exhibiting mental health issues has significantly risen; the school is working with students that have mental health professionals supporting them. Many of the students have complex issues that often pertain to the family environment, they often live at elevated risk, have wider challenges to cope with outside that of a regular child their age. The school has implemented a range of support programmes to assist the students in building self-esteem and resilience. The school gaining a national well-being award through its exemplary good practice is witness to the emphasis put on holistic care for both students and staff.

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

Qualifications and outcomes;
The curriculum offer has significantly widened with the GCSE offer increasing year on year. With academic results showing an upward trajectory of students gaining QRF qualifications similar to their peers within the mainstream education setting. Our latest results for 2020-21 and last year's comparisons are shown below show the following;

Headline Figures;

Headline Figures for cohort 2020

English 4+: 29% (3+ - 66.6%)
Maths 4+: 47% (3+ - 80.9%)

English & Maths 3+: 29% (AM, KW)
English & Maths 4+: 18% (RC, AH, JH)
English & Maths 5+: 6% (RC)
4 or more L2 Qualifications at 4+: 24% (15%)
4 or more L2 Qualifications at 3+: 29% (35%)
4 or more L2 Qualifications at 2+: 53% (75%)
3 or more L2 Qualifications at 2+: 71% (100%)

Headline Figures for cohort 2021 - Actual

English 4+: 57.8% (3+ - 84.1%)
Maths 4+: 59.0% (3+ - 81.7%)

English & Maths 3+: 76.2% (16 students)
English & Maths 4+: 42.9% (9 students)
English & Maths 5+: 4.8% (1 Student)
4 or more L2 Qualifications at 4+: 23.8% (5 students)
4 or more L2 Qualifications at 3+: 61.9% (13 students)
4 or more L2 Qualifications at 2+: 80.9% (17 students)
3 or more L2 Qualifications at 2+: 80.8% (17 students)

Financial KPI

1. Salaries as a percentage of GAG income = 114% (GAG)
2. Salaries as a percentage of total income (including commissioning schools income) = 76%
3. Total income per pupil £16,000
4. GAG income per pupil £10,000 (GAG + commissioning schools income £16,000)
5. Total salary cost per pupil £12,970

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 they continue 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.

Strategic report (continued)

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 finance committee are to review and implement a revised policy and propose the utilisation of the reserves funds.

The school held fund balances at 31st August 2021 of £2,315,406. This comprised £2,308,179 of restricted funds and £7,227 (2020: £9,098) of unrestricted funds. Of the restricted funds, £1,954,439 is represented by tangible fixed assets. The restricted general funds total £582,740. The deficit on the pension reserve which is considered part of restricted funds was £229,000.

The school is currently having significant building works undertaken in relation to the defects from new. The DFE are currently working with technical advisors to plan building improvements works over the next 12 months to maintain the building and ensure it is fit for purpose. This will run over the summers of both 2021 and 2022.

b. Principal risks and uncertainties

The Academy Trust has a comprehensive Risk Register which is reviewed regularly.

Falling student numbers

Falling student numbers would impact on funding streams for the Academy, making a deficit budget a possibility and affecting long term viability. Consequently, student forecasts are monitored carefully and appropriate responsive action is taken. Student numbers is regularly discussed at each board meeting. The trust regularly meets with commissioning schools to ensure a strong relationship and tailoring the needs of the school to accommodate the need of possible future students for example the pastoral care we have in place to accommodate the high anxiety students we are seeing, mainly on the back of Covid. Student numbers are currently the highest over the last 3 years with referrals being regularly made from current and new schools.

Unable to attract Staff/Staff attrition

The trust is aware that our provision is unique and only a particular type of person would be attracted to work at our school, however the trust will offer a competitive salary and great CPD opportunities with a strong focus on work life balance and staff wellbeing.

Financial uncertainty

With ever changing grants and changing student numbers, financial uncertainty is high on all agendas. However, the Trust hold a strong level of reserves to ensure the school is a going concern and we take advice on financial matters with the local authority and MWS, our accountants. The trustees receive monthly updates on all financial matters from the School Business Manager.

COVID-19

The current Covid-19 pandemic has had a major impact on the school operationally. The increased emphasis on the risk assessments and the regulations that have had to be adhered to have had a financial impact on the school. The government have indicated that there will be funding available to reimburse the costs.
This has also had an impact on the number of students that have been referred by schools as there is a level of uncertainty in schools due to closures and what exams will look like in the summer.

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 monthly financial reports which are reviewed and agreed by the board of trustees at the Finance subcommittee 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 continued to purchase specific internal audit function through the Southend Borough Council to work with 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 and presented to the board of directors. The recommendations/audit process allows the school tighter control through rigorous processes and procedures aiding a more robust approach to financial management in school.

Fundraising

The Academy had no fundraising during the year due to Covid-19 restrictions. The Academy does not use any external fundraisers. Any fundraising would be monitored by the trustees.

Plans for future periods

Pay and performance

All staff were awarded a minimum cost of living rise of 1% and 15 staff incremented to the next pay scale.

Quality of provision

Southend YMCA Community School is working with external consultants to improve the quality of our provision and ensure we are OFSTED ready. This work is supported by an external consultant who acts as our School Improvement Partner.

International CPD and research project

Erasmus+ is the European Union programme for education, training, youth and sport. The Department for Education oversees Erasmus+ in the UK. The programme is managed by the UK National Agency which is a partnership between the British Council and Ecorys UK.
Southend YMCA Community School is part of a wider project with five countries working in partnership to undertake research specifically focussing upon Special Educational Needs. Our school is funded for activities from September 2018 to August 2020 with approximately £11k funding to support this research, however due to Covid-19 this has now been extended and final reports will be due in 2021-22.

Funds held as custodian on behalf of others

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
- the 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 reappointing 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 17 December 2021 and signed on its behalf by:

J Glazier – Chair of Trustees

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J Glazier
Chair of Governors

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Head teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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
J Glazier, Chair of Governors	6	6
S Cox	6	6
M Bright	0	3
K Norman, Vice Chair	6	6
R Wright	6	6
L Thorne, Headteacher	6	6
C Thomas	6	6
K Bainbridge	5	6

Governance review

Governance arrangements and on the ongoing development of the board has been a key focus this academic year. The membership of the board continues to be developed and two new members have been appointed and approved by the YMCA. Ongoing recruitment continues to be considered and training opportunities investigated.

The structure of the board continues to consist of a Teaching and Learning and Finance Committee, Trustees are invited to attend both committees to develop their knowledge and understanding of practice across all areas of the school.

The governing body self-evaluate themselves annually, with the next review due to take place in the Summer term 2022. The outcome of the last review was that the board was lacking support from a parent governor but due to the Covid-19 pandemic, it was difficult for recruitment. However, recently, following parent forums, new individuals have shown interest and application forms have been completed.

The staff governor is leaving employment at the school but has requested to remain on the board so a further staff governor will be identified to strengthen the board.

In addition to the statutory checks and audits, we have had external audits i.e. a safeguarding audit who have given positive feedback about how the governors manage the school and their involvement.

Matters discussed during the year 31 August 2021 include;

- Full review of safeguarding policies and visit to ensure all processes continue to be adhered to during the pandemic

Governance (continued)

- Agreement of financial regulations;
- Regular review of the current financial position;
- Review of long term financial position;
- Assurance work on health and safety matters relating to the estate;
- Review of staffing structure, in particular leadership.
- Overview of curriculum and development of understanding of the content and delivery of this.
- Agreement to participation in Wellbeing Award to demonstrate the schools positive approach to emotional wellbeing and mental health.
- Regular review of risk registers (COVID)
- Buildings and enhancing our pastoral support to schools through Mental Health first aid and restraint training.

Review of value for money

As Accounting Officer, the head teacher 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 (Lee Thorne) has responsibility for ensuring that the academy trust delivers good value in the use of public resources. Lee Thorne 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 through the Connexions 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.

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 presenting a balanced budget with recommendation on how this could be achieved when the first draft showed a deficit. The Business Manager attends networking meetings to share best practice. The headteacher also has experience in budgeting including curriculum lead financial planning.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)

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 2020 to 31 August 2021 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 decided to employ 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
- 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 through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

As accounting officer, the Head teacher 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.

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 17 December 2021 and signed on their behalf by:

J Glazier – Chair of Trustees

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J Glazier
Chair of Trustees

....
L Thorne
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 board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 2020.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2020.

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.

L Thorne
Accounting Officer
Date: 17 December 2021

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who 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 Academies Accounts Direction published 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 . 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 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 17 December 2021 and signed on its behalf by:

J Glazier – Chair of Trustees

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J Glazier
Chair of Governors

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 (the 'academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy 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' remuneration specified by law are 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 Trustees' responsibilities statement, 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 or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:
We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, Safeguarding (including statutory guidance Keeping Children Safe in Education), employment law and public sector pay and conditions. We enquired of management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes for the year. We did not identify any matters relating to material non compliance with laws and regulation or matters in relation to fraud;

- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures;
- In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including its objectives and strategies to understand the expected financial statement disclosures and business risks that may result in risks of material misstatement;
- In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
  - the specialist skills required and
  - knowledge of the industry in which the client operates.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - identifying and testing journal entries, in particular manual journal entries made at year end for financial statement preparation; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

Use of our report

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

Danny McCartney

Danny McCartney FCA (Senior statutory auditor)
for and on behalf of
MWS
Chartered Accountants
Statutory Auditor
Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

Date: 17 December 2021

INDEPENDENT REPORTING ACCOUNTANT'S 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 May 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 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 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 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessing the risk of material irregularity in the Academy Trust
- Commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academies Financial Handbook
- Investigating any areas of significant risk identified
- Consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment
- A review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH ESSEX COMMUNITY SCHOOL LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MWS

MWS
Chartered Accountants

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

Date: 17 December 2021

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 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income from:						
Donations and capital grants	4	2,927	-	27,066	29,993	*8,641*
Charitable activities		-	871,529	-	871,529	*863,210*
Other trading activities		756	-	-	756	*1,279*
Investments	7	74	-	-	74	*77*
Total income		3,757	871,529	27,066	902,352	*873,207*
Expenditure on:						
Charitable activities	9	5,628	903,900	54,978	964,506	*818,524*
Total expenditure		5,628	903,900	54,978	964,506	*818,524*
Net (expenditure)/income		(1,871)	(32,371)	(27,912)	(62,154)	*54,683*
Transfers between funds	18	-	(9,262)	9,262	-	*-*
Total transfers		-	(9,262)	9,262	-	*-*
Net movement in funds before other recognised gains/(losses)		(1,871)	(41,633)	(18,650)	(62,154)	*54,683*
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	6,000	-	6,000	*(91,000)*
Net movement in funds		(1,871)	(35,633)	(18,650)	(56,154)	*(36,317)*
Reconciliation of funds:						
Total funds brought forward		9,098	389,373	1,973,089	2,371,560	*2,407,877*
Net movement in funds		(1,871)	(35,633)	(18,650)	(56,154)	*(36,317)*
Total funds carried forward		7,227	353,740	1,954,439	2,315,406	*2,371,560*

The Statement of financial activities includes all gains and losses recognised in the year.

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The notes on pages 27 to 52 form part of these financial statements.

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 07954295

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		*2020 £*
Fixed assets					
Tangible assets	15		**1,954,439**		*1,973,089*
			1,954,439		*1,973,089*
Current assets					
Debtors	16	**24,891**		*29,683*	
Cash at bank and in hand		**642,266**		*643,966*	
		667,157		*673,649*	
Creditors: amounts falling due within one year	17	**(77,190)**		*(85,178)*	
Net current assets			**589,967**		*588,471*
Total assets less current liabilities			**2,544,406**		*2,561,560*
Net assets excluding pension liability			**2,544,406**		*2,561,560*
Defined benefit pension scheme liability	24		**(229,000)**		*(190,000)*
Total net assets			**2,315,406**		*2,371,560*
Funds of the academy					
Restricted funds:					
Fixed asset funds	18	**1,954,439**		*1,973,089*	
Restricted income funds	18	**582,740**		*579,373*	
Restricted funds excluding pension asset	18	**2,537,179**		*2,552,462*	
Pension reserve	18	**(229,000)**		*(190,000)*	
Total restricted funds	18		**2,308,179**		*2,362,462*
Unrestricted income funds	18		**7,227**		*9,098*
Total funds			**2,315,406**		*2,371,560*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 22 to 52 were approved by the Trustees, and authorised for issue on 17 December 2021 and are signed on their behalf, by:

J Glazier - Chair of Trustees

....
J Glazier
(Chair of Trustees)

....
L Thorne
(Accounting officer)

The notes on pages 27 to 52 form part of these financial statements.

SOUTH ESSEX COMMUNITY SCHOOL LIMITED

(A company limited by guarantee)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	Note	**2021** **£**	*2020* *£*
Cash flows from operating activities			
Net cash provided by operating activities	20	**29,590**	*130,728*
Cash flows from investing activities	21	**(31,290)**	*(39,280)*
Change in cash and cash equivalents in the year		**(1,700)**	*91,448*
Cash and cash equivalents at the beginning of the year		**643,966**	*552,518*
Cash and cash equivalents at the end of the year	22, 23	**642,266**	*643,966*

The notes on pages 27 to 52 from part of these financial statements

1. General information

The Academy Trust is a company limited by guarantee, it was incorporated in England and Wales. The registered office is:

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

The registered number is 07954295.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction *2020* to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 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 funders where the asset acquired or created is held for a specific purpose.

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

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

2. Accounting policies (continued)

2.3 Income

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

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

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

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

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

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

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

2.4 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**
  These are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

  All resources expended are inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.5 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.6 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 50 years straight line
Furniture and equipment	- 25% reducing balance
Computer equipment	- 3 years 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.

2.7 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.

2.8 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.

2. Accounting policies (continued)

2.9 Liabilities

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

2.10 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 bases are as follows:

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

Cash at bank is classified as a basic financial instrument and is measured at face value.

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

2.11 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2. Accounting policies (continued)

2.13 Pensions

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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

4. Income from donations and capital grants

	Unrestricted funds 2021 £	**Restricted fixed asset funds 2021 £**	**Total funds 2021 £**	*Total funds 2020 £*
Donations	2,927	-	**2,927**	*4,506*
Government grants	-	27,066	**27,066**	*4,135*
Total 2021	2,927	27,066	**29,993**	*8,641*
Total 2020	*456*	*8,185*	*8,641*	

5. Funding for the academy's educational operations

	Restricted funds 2021 £	**Total funds 2021 £**	*Total funds 2020 £*
DfE/ESFA grants			
General Annual Grant	500,000	**500,000**	*500,000*
Other DfE/ESFA grants			
Pupil premium	17,241	**17,241**	*13,287*
Others	15,340	**15,340**	*4,586*
	-	**532,581**	*517,873*
Other Government grants			
Local authority grants	45,498	**45,498**	*65,093*
	45,498	**45,498**	*65,093*
Other income from the academy's educational operations	275,722	**275,722**	*280,244*
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	12,000	**12,000**	-
Other DfE/ESFA COVID-19 funding	5,728	**5,728**	-
	17,728	**17,728**	-
Total 2021	871,529	**871,529**	*863,210*
Total 2020	*863,210*	*863,210*	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from

5. Funding for the academy's educational operations (continued)

the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £12,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £4,168 with the balance of £7,832 to be spent in 2021/22.

The academy received £1,748 of emergency Covid-19 funding, and £3,980 of other Covid-19 funding.

6. Income from other trading activities

	Unrestricted funds 2021 £	**Total funds 2021 £**	*Total funds 2020 £*
Trip income	-	**-**	*60*
Catering income	756	**756**	*1,219*
Total 2021	756	**756**	*1,279*

7. Investment income

	Unrestricted funds 2021 £	**Total funds 2021 £**	*Total funds 2020 £*
Investment income	74	**74**	*77*

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	*Total 2020 £*
Educational operations:					
Direct costs	463,398	54,978	73,669	**592,045**	*525,669*
Support costs	217,060	62,860	92,541	**372,461**	*292,855*
Total 2021	680,458	117,838	166,210	**964,506**	*818,524*
Total 2020	*598,326*	*95,571*	*124,627*	*818,524*	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Educational operations	5,628	958,878	**964,506**	*818,524*
Total 2020	*1,561*	*816,963*	*818,524*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	*Total funds 2020 £*
Educational operations	592,045	372,461	**964,506**	*818,524*
Total 2020	*525,669*	*292,855*	*818,524*	

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2021 £	Total funds 2021 £	*Total funds 2020 £*
Staff costs	463,398	**463,398**	*425,741*
Depreciation	54,978	**54,978**	*52,512*
Educational supplies	48,056	**48,056**	*31,037*
Examination fees	7,527	**7,527**	*4,576*
Staff development	9,466	**9,466**	*4,592*
Other direct costs	5,966	**5,966**	*6,312*
Technology costs	2,654	**2,654**	*899*
Total 2021	592,045	**592,045**	*525,669*

Analysis of support costs

	Educational operations 2021 £	Total funds 2021 £	*Total funds 2020 £*
Pension finance costs	3,000	**3,000**	*1,000*
Staff costs	217,060	**217,060**	*172,585*
Maintenance of premises	33,282	**33,282**	*18,353*
Cleaning	10,203	**10,203**	*4,567*
Rent and rates	5,664	**5,664**	*5,537*
Energy costs	13,735	**13,735**	*14,602*
Insurance	900	**900**	*900*
Security and transport	5,347	**5,347**	*1,687*
Catering	7,910	**7,910**	*6,525*
Bank interest and charges	432	**432**	*386*
Legal and professional fees	70,204	**70,204**	*63,282*
Other support costs	4,724	**4,724**	*3,431*
Total 2021	372,461	**372,461**	*292,855*

During the year ended 31 August 2021, the academy incurred the following Governance costs: £8,063 (2020: £14,831) included within the table above in respect of Educational operations.

11. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021	*2020*
	£	*£*
Operating lease rentals	**3,394**	*3,928*
Depreciation of tangible fixed assets	**54,978**	*52,287*
Fees paid to auditors for:		
- audit	**7,000**	*7,000*

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	506,327	447,288
Social security costs	47,468	40,757
Pension costs	126,663	91,876
	680,458	579,921
Agency staff costs	-	18,405
	680,458	598,326

b. Non-statutory/non-contractual staff severance payments

A settlement payment of £3,000 was made in April 2021 on the termination of an employees' contract.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	6	5
Administration and support	12	11
Management	3	2
	21	18

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for this employee amounted to £17,256 (2020: £15,421).

12. Staff (continued)

e. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £347,963 *(2020 £259,869)*.

13. Trustees' remuneration and expenses

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

		2021	*2020*
		£	*£*
M Broomfield	Remuneration	**-**	*15,000 - 20,000*
	Pension contributions paid	**-**	*0 - 5,000*
L Thorne, Principal (appointed 1 September 2019)	Remuneration	**70,000 - 75,000**	*65,000 - 70,000*
	Pension contributions paid	**15,000 - 20,000**	*15,000 - 20,000*
C Thomas (appointed 27 April 2020)	Remuneration	**35,000 - 40,000**	*10,000 - 15,000*
	Pension contributions paid	**5,000 - 10,000**	*0 - 5,000*

During the year ended 31 August 2021, no Trustee expenses have been incurred *(2020 - £NIL)*.

14. Trustees' and Officers' insurance

The academy has opted into the Department of 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 membership.

15. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	**2,127,128**	**104,587**	**96,135**	**2,327,850**
Additions	**5,428**	**24,944**	**5,956**	**36,328**
At 31 August 2021	**2,132,556**	**129,531**	**102,091**	**2,364,178**
Depreciation				
At 1 September 2020	**207,637**	**69,976**	**77,148**	**354,761**
Charge for the year	**35,052**	**10,089**	**9,837**	**54,978**
At 31 August 2021	**242,689**	**80,065**	**86,985**	**409,739**
Net book value				
At 31 August 2021	**1,889,867**	**49,466**	**15,106**	**1,954,439**
At 31 August 2020	*1,919,491*	*34,611*	*18,987*	*1,973,089*

16. Debtors

	2021 £	*2020 £*
Due within one year		
Trade debtors	**(487)**	*26,694*
Prepayments and accrued income	**17,409**	*1,600*
Tax recoverable	**7,969**	*1,389*
	24,891	*29,683*

17. Creditors: Amounts falling due within one year

	2021 £	*2020* £
Trade creditors	**-**	*4,425*
Other creditors	**50,893**	*47,071*
Accruals and deferred income	**26,297**	*33,682*
	77,190	*85,178*

	2021 £	*2020* £
Deferred income at 1 September 2020	**11,400**	-
Resources deferred during the year	**-**	*11,400*
Amounts released from previous periods	**(11,400)**	-
	-	*11,400*

At the balance sheet date the school was holding monies received in advance for:

Funding for places at the school for the next academic year: £Nil (2020: £11,400).

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Unrestricted general funds	9,098	3,757	(5,628)	-	-	7,227
Restricted general funds						
General Annual Grant (GAG)	-	500,000	(468,710)	(31,290)	-	-
Commissioning Fund	565,984	275,722	(308,785)	-	-	532,921
Pupil premium	-	17,241	(17,241)	-	-	-
Other EFA grants	-	48,338	(46,009)	-	-	2,329
Covid-19 catch up premium	-	12,000	(4,168)	-	-	7,832
Other Covid-19 funding	-	5,728	(5,728)	-	-	-
Special Education Projects	2,909	-	(286)	-	-	2,623
Local authority	10,480	12,500	(7,973)	22,028	-	37,035
Pension reserve	(190,000)	-	(45,000)	-	6,000	(229,000)
	389,373	871,529	(903,900)	(9,262)	6,000	353,740
Restricted fixed asset funds						
Donated on conversion	678,854	-	(6,950)	-	-	671,904
Capital grants	1,261,526	27,066	(38,767)	19,268	-	1,269,093
Assets purchased from GAG and other funds	18,878	-	(7,911)	-	-	10,967
Other Local Authority	10,006	-	-	(10,006)	-	-
Donated assets	3,825	-	(1,350)	-	-	2,475
	1,973,089	27,066	(54,978)	9,262	-	1,954,439

18. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Total Restricted funds	**2,362,462**	**898,595**	**(958,878)**	**-**	**6,000**	**2,308,179**
Total funds	**2,371,560**	**902,352**	**(964,506)**	**-**	**6,000**	**2,315,406**

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.

Funds have been transferred in respect of the following:

£31,290 has been transferred from restricted general funds to restricted fixed asset fund representing capital expenditure made from revenue grant funding.

£22,028 has been transferred from restricted fixed asset fund to the restricted general funds representing income received from the local authority that can be spent on non-capital expenditure that was originally used against the kitchen that has now been re-imbursed by the DfE.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

18. Statement of funds (continued)

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

	Balance at 1 September 2019	*Income*	*Expenditure*	*Transfers in/out*	*Gains/ (Losses)*	*Balance at 31 August 2020*
	£	*£*	*£*	*£*	*£*	*£*
Unrestricted funds						
General Funds - all funds	*8,847*	*1,812*	*(1,561)*	*-*	*-*	*9,098*
Restricted general funds						
General Annual Grant (GAG)	*-*	*500,000*	*(488,765)*	*(11,235)*	*-*	*-*
Commissioning Fund	*443,824*	*280,243*	*(158,083)*	*-*	*-*	*565,984*
Pupil premium	*-*	*13,287*	*(13,287)*	*-*	*-*	*-*
Other EFA grants	*16,180*	*69,680*	*(75,380)*	*-*	*-*	*10,480*
Special Education Projects	*3,845*	*-*	*(936)*	*-*	*-*	*2,909*
Pension reserve	*(71,000)*	*-*	*(28,000)*	*-*	*(91,000)*	*(190,000)*
	392,849	*863,210*	*(764,451)*	*(11,235)*	*(91,000)*	*389,373*
Restricted fixed asset funds						
Donated on conversion	*685,804*	*-*	*(6,950)*	*-*	*-*	*678,854*
Capital grants	*1,291,970*	*4,135*	*(34,579)*	*-*	*-*	*1,261,526*
Assets purchased from GAG and other funds	*15,240*	*-*	*(7,597)*	*11,235*	*-*	*18,878*
Other Local Authority	*13,167*	*-*	*(3,161)*	*-*	*-*	*10,006*
Donated assets	*-*	*4,050*	*(225)*	*-*	*-*	*3,825*
	2,006,181	*8,185*	*(52,512)*	*11,235*	*-*	*1,973,089*
Total Restricted funds	*2,399,030*	*871,395*	*(816,963)*	*-*	*(91,000)*	*2,362,462*

18. Statement of funds (continued)

Total funds	*2,407,877*	*873,207*	*(818,524)*	*-*	*(91,000)*	*2,371,560*

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	1,954,439	**1,954,439**
Current assets	7,227	659,930	-	**667,157**
Creditors due within one year	-	(77,190)	-	**(77,190)**
Provisions for liabilities and charges	-	(229,000)	-	**(229,000)**
Total	7,227	353,740	1,954,439	**2,315,406**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Restricted funds 2020 £*	*Restricted fixed asset funds 2020 £*	*Total funds 2020 £*
Tangible fixed assets	*-*	*-*	*1,973,089*	*1,973,089*
Current assets	*9,098*	*664,551*	*-*	*673,649*
Creditors due within one year	*-*	*(85,178)*	*-*	*(85,178)*
Provisions for liabilities and charges	*-*	*(190,000)*	*-*	*(190,000)*
Total	*9,098*	*389,373*	*1,973,089*	*2,371,560*

20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of financial activities)	**(62,154)**	*54,683*
Adjustments for:		
Depreciation	**54,978**	*52,512*
Capital grants from DfE and other capital income	**(5,038)**	*(8,185)*
Defined benefit pension scheme cost less contributions payable	**45,000**	*28,000*
Decrease/(increase) in debtors	**4,793**	*(13,317)*
(Decrease)/increase in creditors	**(7,989)**	*17,035*
Net cash provided by operating activities	**29,590**	*130,728*

21. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	**(36,328)**	*(43,415)*
Capital grants from DfE Group	**5,038**	*8,185*
Donated fixed asset (non-cash)	**-**	*(4,050)*
Net cash used in investing activities	**(31,290)**	*(39,280)*

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	**642,266**	*643,966*
Total cash and cash equivalents	**642,266**	*643,966*

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	643,966	(1,700)	642,266
	643,966	(1,700)	642,266

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £54,029 *(2020 - £42,060)*.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £40,000 *(2020 - £29,000)*, of which employer's contributions totalled £31,000 *(2020 - £22,000)* and employees' contributions totalled £ 9,000 *(2020 - £7,000)*. The agreed contribution rates for future years are 20.3 to 21.3 per cent for employers and 5.5 to 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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.

24. Pension commitments (continued)

Principal actuarial assumptions

	2021 **%**	*2020* *%*
Rate of increase in salaries	**3.90**	*3.30*
Rate of increase for pensions in payment/inflation	**2.90**	*2.30*
Discount rate for scheme liabilities	**1.65**	*1.60*
Inflation assumption (CPI)	**2.90**	*2.30*
RPI increases	**3.25**	*3.10*

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

	2021 **Years**	*2020* *Years*
Retiring today		
Males	**21.6**	*21.8*
Females	**23.6**	*23.8*
Retiring in 20 years		
Males	**22.9**	*23.2*
Females	**25.1**	*25.2*

Sensitivity analysis

	2021 **£000**	*2020* *£000*
Discount rate +0.1%	**9**	*7*
Discount rate -0.1%	**(9)**	*(8)*
Mortality assumption - 1 year increase	**(18)**	*(13)*
Mortality assumption - 1 year decrease	**17**	*13*

24. Pension commitments (continued)

Share of scheme assets

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

	2021 **£**	*2020* *£*
Equities	**142,000**	*106,000*
Gilts	**6,000**	*7,000*
Corporate bonds	**10,000**	*10,000*
Property	**15,000**	*13,000*
Cash and other liquid assets	**6,000**	*5,000*
Alternative assets	**25,000**	*20,000*
Other managed funds	**18,000**	*10,000*
Total market value of assets	**222,000**	*171,000*

The actual return on scheme assets was £41,000 *(2020 - £6,000)*.

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

	2021 **£**	*2020* *£*
Current service cost	**(73,000)**	*(49,000)*
Interest cost	**(3,000)**	*(1,000)*
Total amount recognised in the Statement of financial activities	**(76,000)**	*(50,000)*

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

	2021 **£**	*2020* *£*
At 1 September	**361,000**	*277,000*
Interest cost	**6,000**	*5,000*
Employee contributions	**9,000**	*7,000*
Actuarial losses	**32,000**	*23,000*
Benefits paid	**(30,000)**	*-*
Current service cost	**73,000**	*49,000*
At 31 August	**451,000**	*361,000*

24. Pension commitments (continued)

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

	2021 £	*2020* £
At 1 September	**171,000**	*206,000*
Interest income	**3,000**	*4,000*
Actuarial gains/(losses)	**38,000**	*(68,000)*
Employer contributions	**31,000**	*22,000*
Employee contributions	**9,000**	*7,000*
Benefits paid	**(30,000)**	*-*
At 31 August	**222,000**	*171,000*

24. Pension commitments (continued)

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

No allowance was made in 2019 for the Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 would have been allowed for as a past service cost, however, the actuaries had estimated it to be nil, and hence resulted in no effect on the defined benefit obligation as at 31 August 2021.

This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary. The Actuary's assessment is based on analysis carried out by the Government Actuary's Department (GAD) and the Trust's liability profile.

The GAD assessment is based on a "worst-case" scenario whereby this case impacts on all active members in the scheme as at 31 March 2019. It is the view of the Trustees and their actuary that this is not a realistic estimate. The actuary has therefore adjusted their estimate to only include members who were active at 31 March 2012.

On 13 May 2021, the Government issued a ministerial statement on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. It is not anticipated that there are any material differences between the approach underlying the estimated allowance in 2019 and the proposed remedy.

Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes".

It is anticipated that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase.

For members that reach SPA after this date, it is assumed that the Fund will be required to pay the entire inflationary increase. It is not therefore necessary to make any adjustments to the value placed on the liabilities as a result of the above outcome.

Goodwin case

Following a case involving the Teachers' Pension scheme, known as the Goodwin case, differences between survivor benefits payable to members with same-sex or opposite-sex survivors have been identified within a number of public sector pension schemes. As a result, the Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS.

It is anticipated that the impact on the value of LGPS liabilities as a whole, and for the majority of employers participating in the LGPS, will not be material. However, the impact on individual employers will vary depending on their specific membership profile.

Sufficient information is not currently available to assess the actual impact on the Academy Trust but as the worst case scenario for the scheme as whole is expected to be in the region of be 0.025% no provision has been included within these financial statements.

25. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	*2020* £
Amounts payable:		
Within 1 year	**3,223**	*3,337*
Between 2 and 5 years	**351**	*3,416*
	3,574	*6,753*

26. 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.

27. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 13.

The academy trust is in a partnership with the Southend YMCA. During the year no transactions occured.

At the Balance Sheet date, the academy trust owed £9,142 to Southend YMCA (2020: £9,142).

Owing to the nature of the academy 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

28. Controlling party

There is no ultimate controlling party.