

SHOEBURYNESS HIGH SCHOOL

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

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SHOEBURYNESS HIGH SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members	Mr R Knight Mr M Schofield Mr D Andrews Mrs L Jarentowski
Trustees	Mr R Knight, Chairman, Community Mr M Schofield, Headteacher and Accounting Officer Mr M Sweeting, Vice Chair, Community Mr D Andrews, Community Mrs S Bailey, Staff (appointed 29 September 2014) Mrs D Brazier, Community Miss D Burgess, Staff Ms A Dalton, Local authority (appointed 1 February 2015) Mr S Goodall, Community (appointed 29 September 2014) Ms C Gostling, Community Mrs J Holdsworth, Parent Mrs L Johnson-Geach, Parent Mr E Lee, Parent Mrs L Jarentowski, Parent (resigned 19 June 2015) Mr P Heron, Staff Mrs M Palles-Clark, Parent (appointed 25 February 2015) Mr D Parker, Community Mrs L Rudd, Staff Mr S Tollworthy, Community (appointed 29 September 2014) Mr R Waelend, Community (appointed 29 September 2014)
Company Secretary	Mrs K Hodgson
Senior Leadership Team	Mr M Schofield, Headteacher Mr H Williams, Deputy Headteacher Dr F Haddock, Deputy Headteacher Miss K Lambert, Assistant Headteacher Mrs C Costello, Assistant Headteacher Mr W Peel, Assistant Headteacher Mrs W Walden, Assistant Headteacher Ms S Carrington, Assistant Headteacher
Chief Executive Officer	Mr M Schofield
Principal and registered office	Caulfield Road Shoeburyness Essex SS3 9LL
Company registered number	07825856
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Bankers	Lloyds Bank Plc 77 High Street Southend SS11HT
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SHOEBURYNESS HIGH SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their Annual Report together with the financial statements and Auditors' report of Shoeburyness High School Academy Trust (The Academy, The Trust, or the Charitable Company) for the year ended 31 August 2015. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 11-18 serving the catchment area of Shoeburyness. It has a pupil capacity of 1604 and a roll of 1682 in the Summer 2015 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution:

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Shoeburyness High School (the School).

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on Page 1.

Members' Liability:

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

Trustees Indemnities:

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1m on any one claim and details of the costs are disclosed in Note 12 to the accounts.

Method of Recruitment and Appointment or Election of Trustees:

- Parent Trustees – The Articles of Association require that there shall be five parent Trustees. Parents, including carers, of registered pupils at the School are eligible to stand as individuals for election as a parent Trustee. They are elected by other parents at the School as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of parent Trustee elections.
- Staff Trustees – four staff Trustees are elected by the School staff as individuals, representative of the staff of the school. Both teaching and support staff paid to work at the School are eligible for staff Trusteeship. Suitable procedures have been put in place for the conduct of staff Trustee elections.
- One space is reserved for the Headteacher as ex-officio Trustee.
- Community Trustees – Up to nine community Trustees can be appointed by the Board of Trustees. Community Trustees can be people who live or work in the community served by the school, or people who live outside of the immediate area and who are committed to the good governance and success of the school. Community Trustees are identified and chosen by the Board of Trustees and are proposed to the full Governing Body meeting. Candidates are selected based on eligibility, personal competence and professional skills, which can benefit the Academy, as well as local availability.
- Local Authority Trustee – The Local Authority may approve up to one Trustee.
- All Trustees are appointed for a period of four years.

Policies and Procedures Adopted for the Induction and Training of Trustees:

Following their appointment/election all new Trustees receive an introduction to their role from the Chairman and the Headteacher. This introduction includes a tour of the School site and new Trustees are provided with a pack of key documents, publications, past minutes and other information about the School.

New Trustees attend induction training provided by Southend Borough Council. Trustees are expected to regularly attend training to update their skills and knowledge on a wide range of topics.

There is a nominated Link Trustee who helps Trustees identify their training and learning needs and makes them aware of the training courses available. In-house training is tailored to Trustees' individual needs as appropriate.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Organisational Structure:

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets on at least 6 occasions per year, is responsible for the strategic direction of the Academy. It reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year and set the organisational staffing structure, agree the performance objectives of the Headteacher with the school's external advisor and reviews them.

The Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the charitable company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team. The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

Related Parties and other Connected Charities and Organisations

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

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook. The Academy has links with the following:

- Shoeburyness Educational Partnership
- Shoeburyness High School Community Projects
- Icelandic Education Authority to share best practice

OBJECTIVES AND ACTIVITIES

Objects and Aims:

The principal object and aim of the Charitable Company is the operation of Shoeburyness High School to provide free education and care for pupils of different abilities between the ages of 11 and 18.

Strategies and Activities

During the year the School has worked towards achieving these aims by:

- Ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- Raising the standard of educational achievement of all pupils.
- Improving the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- Providing value for money for the funds expended.
- Complying with all appropriate statutory and curriculum requirements.
- Conducting the Academy's business in accordance with the highest standards of integrity.

At Shoeburyness High School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. The Academy provides other learning opportunities through an extensive programme of extra-curricular activities.

- The School is a founder member of the Shoeburyness Educational Partnership which includes seven primary schools and Shoeburyness High School in a co-operative partnership working together on school improvement and to improve efficiency and value for money for the benefit of all.
- A partnership with the Icelandic Education Authority to work on a Lifelong Learning Programme has continued. This project has enabled co-operation on accelerated learning and achievement for all groups of learners and was made possible with funding from the European Commission via Comenius Regio Partnerships.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

STRATEGIC REPORT

Achievements and Performance

The examination results in terms of attainment at KS4 were not what we were aiming for. English, Maths and Science (for 1 GCSE) A*-C fell by 6% on average and this meant the 5A*-C in English and Maths fell to 50% from 61%. This year group was not as academically able as the previous year.

In 2014, Year 11 were on average fine points on entry, significantly below national by -0.7 while in 2015 they were -1.1. In addition, on entry, the higher ability group were 8.1% below on prior attainment in 2014 while in 2015 they were 12.4% below national. Progress was, as a result, better than in 2014.

In Maths it was down from 70% to 64% but three levels of progress was up from 65% to 67% and both progress and attainment are above national.

English are below national and did fall from 68% to 61% in attainment terms, national is 65% and progress fell from 68% to 64% with national levels of progress being 71%.

The overall progress measure has gone up from 998 in 2014 to 1015 in 2015. The figures for Attainment 8 and Progress 8, which are not officially published yet, on our calculations will both be up, particularly so with the progress measure.

At Post 16, the AS pass rate was 86% and at A2 97%. A2 saw A*-B rise to 31% from 25% last year and the total point score rise to 665 from 623. The vocational A levels rose from 625 to 651 on the same measure. 51% of Year 13 went to university and the current intake is 314, the highest in the School's history.

The curriculum continues to develop to meet the changing needs of the new national attainment and progress measures and as indicated, the shadow data on these measures shows improvement, year on year.

The School was heavily oversubscribed, taking in 293 students in Year 7, 13 students above its 280 admission number to allow for siblings. It heard 35 appeals in addition to this and has an extensive waiting list. All year groups are full and above number.

The Academy continues to offer an extensive enrichment programme including the Duke of Edinburgh Award which continues to grow with 62 pupils taking bronze and 14 silver.

Sporting success includes students representing the School at national level, in football, tennis, athletics, diving and swimming.

Attendance rose again and is at 95.2%, which is above the national average.

Students, staff and parents generously supported charities including our Year 12 and 13 students whose Charity Week raised over £6,500 and our Basketball Academy that raised over £5,000 in a basketball marathon.

Achievements of identified groups

Identified groups have continued to increase their attainment with pupil premium 5A*-C including English and Maths up 4% on last year. Their value added (VA) increased by 75 points from last year as well as three levels of progress in English and Maths has risen by 3% and 20% respectively. In addition, they have closed the gap consistently against other pupils for these performance indicators.

Boys' 5A*-C including English and Maths up 2% on last year. Their value added increased by 18 points from last year as well as three levels of progress in English and Maths has risen by 20% and 3% respectively. In addition, they have closed the gap consistently against other pupils for these performance indicators.

Categories for Special Educational Needs (SEN) have changed this year but the value added of pupils moved off SEN because they are hitting their target grades (54% of all SEN) is now at 1039 above other pupils in school VA 1019 and above the national expectation of VA 1000. 23% of the remaining SEN achieved 5A*-C including English and Maths and three levels of progress in English and Maths were 50% and 32% respectively.

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TRUSTEES' REPORT (continued)
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Key Financial Performance Indicators

The Trustees receive monthly information to enable them to monitor the performance of the school compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2014/2015 were 1,684 (2013/14: 1,686).

Another key financial performance indicator is staffing costs as a percentage of total income. For 2014/15 this was 72.2%. Other key performance indicators are:

- Capital expenditure per pupil.
- Unit cost per pupil.
- Liquidity ratio.
- Net revenue compared to budget.

Going Concern:

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

FINANCIAL REVIEW

The principal source of funding for the Trust is the General Annual Grant (GAG) funding that it receives from the EFA. For the period ended 31 August 2015 the Academy received £11,869,727 of GAG and other funding. A high percentage of this funding is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £2,244,795. The Trustees have determined that they should hold a cash contingency equivalent to two weeks' expenditure.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,351,778. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school and is considered to be an adequate contingency to meet unexpected costs or falling income in future years.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit of £3.343m. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Investment Policy

The Trustees ensure that funds that the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy's income but with minimal risk. This is delegated to the Finance and Premises Committee who identify and research where funds may be deposited applying prudence in ensuring there is minimum risk. The Academy does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed. They ascertain if existing controls are adequate and identify actions and procedures to mitigate any risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at Audit Committee meetings. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an Academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational – the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing – the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds – The Academy has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up-to-date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process through the year by improving the process and ensuring staff awareness.

Plans for Future Periods

There is particular focus on the following for 2015/16:

- To develop and refine the assessment system to replace SAT's (Standard Assessment Tests) levels and drive forward progress.
- To develop the curriculum to develop resilience and enquiry and support awareness of high profile issues such as PREVENT and internet safety strategies.
- Ensure that deeper learning activities within the classroom are used to accelerate the progress of students across all the curriculum and year groups to support the AMA (Academically More Able) and Individual Challenge Plan programmes.
- Maintain a focus on SPAG (Spelling, Punctuation and Grammar).

Funds Held as Custodian Trustee on Behalf of Others

During the 12 month period from 1st September 2014 to 31st August 2015 the School did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

**SHOEBURYNESS HIGH SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Provision of Information to Auditors

Insofar as the Trustees are aware:

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

This report was approved by order of the Board of Trustees on 7 December 2015 and signed on the Board's behalf by:

Mr R Knight
Chair of Trustees

SHOEBURYNESS HIGH SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Shoeburyness High School 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 Trustees' Responsibilities Statement. 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
Mr R Knight, Chairman, Community	6	6
Mr M Schofield, Headteacher and Accounting Officer	6	6
Mr M Sweeting, Vice Chair, Community	6	6
Mr D Andrews, Community	4	6
Mrs S Bailey, Staff	5	5
Ms C Gostling, Community	3	6
Mrs D Brazier, Community	4	6
Mr S Goodall, Community	5	5
Miss D Burgess, Staff	5	6
Ms A Dalton, Local authority	4	6
Mrs L Johnson-Geach, Parent	2	6
Mr E Lee, Parent	4	6
Mrs L Jarentowski, Parent	1	4
Mr P Heron, Staff	5	6
Mrs J Holdsworth, Parent	4	6
Mrs M Palles-Clark, Parent	3	3
Mr D Parker, Community	5	6
Mrs L Rudd, Staff	2	6
Mr S Tollworthy, Community	5	5
Mr R Waelend, Community	5	5

During the year a parent Trustee was elected and one other parent governor was re-elected, three community Trustees and one local authority Trustee were appointed and a staff Trustee was elected. There was one vacancy for a parent Trustee as at 31st August 2015.

Governance reviews:

The Board of Trustees is currently undergoing a review of governance and the outcome of this will be completed in the Autumn Term 2015. Trustees have also attended a number of training sessions throughout the year on the following:

- Safeguarding
- Doing Governance
- Pay and Performance Management
- New Trustees Induction Training
- FFT Aspire
- Finance
- RAISEonline
- School Improvement Plan
- Developing Skills as Chair

The trustees considered the membership of committees and agreed a change in the membership of the Audit Committee from September 2015 to further provide objective scrutiny of financial systems.

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GOVERNANCE STATEMENT (continued)

Particular challenges for the board were:

- The decision to alter the admissions criteria for borderline places under the selective criteria
- To review the governance of the school by having outside independent scrutiny to identify those areas that could be improved on.
- The continuing increases in costs through pay, national insurance and pensions.
- The changing nature of the primary sector in Southend.

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to be responsible for the management of financial operations and premises related matters within the Academy, as set down in the terms of reference for the Finance and Premises Committee and within the Financial Regulations and Scheme of Delegation for the Academy. The committee met three times during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Andrews, Community	1	3
Miss D Burgess, Staff	3	3
Ms A Dalton, Local authority	1	1
Mr S Goodall, Community	2	2
Mr P Heron, Staff	3	3
Mr R Knight, Chairman, Community	3	3
Mr E Lee, Parent	2	3
Mr D Parker, Community	2	2
Mr M Schofield, Headteacher and Accounting Officer	3	3
Mr M Sweeting, Vice Chair, Community	3	3
Mr R Waelend, Community	1	2
Ms C Gostling	1	3

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to review the risks to internal financial control and agree a programme of work that will address the risks to inform this governance statement and so far as is possible, provide assurance to the external auditors.

During the year the committee has received termly reports from the internal auditor on the following:

- i. Contracts and Bill Payments
- ii. An information trawl of reports published by the EFA
- iii. School Catering

The committee oversaw the preparation of the year-end Academy accounts and received the report from the Trust's Auditors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Knight, Chairman, Community	4	4
Mr D Andrews, Community	4	4
Ms A Dalton, Local authority	3	4
Mrs L Jarentowski, Parent	1	2
Mr D Parker, Community	1	2
Mr M Schofield, Headteacher and Accounting Officer	3	4
Mr M Sweeting, Vice Chair, Community	1	3

REVIEW OF VALUE FOR MONEY

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

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

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GOVERNANCE STATEMENT (continued)

- Our value added has increased from 998 in 2014 to above the national average to 1015 in 2015.
- Our average capped points score (best 8) has increased to 303. This is a 20% increase on 2 years ago.
- Three levels of progress in Maths has increased to 67%.
- Three levels of progress in English is 64%.
- The proportion of students attaining 3 A Levels has increased from 63% to 76%.
- A Level A*-C has increased from 57% to 62%
- The average level 3 vocational grade has increased from Merit to Distinction.
- Attendance was up again to a record 95.2% which is above the national average.

Curriculum

The curriculum continues to develop to meet the needs of the students and provide value for money.

This year has seen the development of our Achievement Plus pathway in Year 7 and improving our progression rules into Years 12 and 13 has seen the Sixth Form grow to 315, the largest ever. This increased size means the financial viability is improved.

Staffing

The Academy constantly reviews its staffing commitments to match the changing needs of the curriculum. The Academy reduced its teaching staff by seven (7) as some areas had reduced pupil uptake in options at KS4 and Post 16. The School's community work through the School Sports Partnership and the Community School Project are both now financially viable.

Premises

The Academy continues to use its in-house maintenance, building and ICT teams to develop the site.

This year they have built the Shoeburyness College at a cost of £170,000 in comparison to external quotes of £500,000. They have also created new Learning Support and Training School areas and a new Excel classroom.

Financial Governance and Oversight

1. The Academy's financial control system is comprehensive. The Financial Regulations and Scheme of Delegation is strictly adhered to and regularly reviewed.
2. A comprehensive budgeting procedure has input from Trustees, senior management and budget holders to produce the annual budget which is agreed by the Finance and Premises Committee and approved by the Board of Trustees.
3. Trustees are supplied with monthly financial reports comparing actuals against budget with explanations of any variances. These are challenged and discussed at regular Finance and Premises Committee meetings.
4. Project and contract proposals are fully investigated and quotations acquired for comparison to ensure best value. These are presented to Trustees for evaluation and approval if appropriate.
5. Contracts and Service Level Agreements are reviewed and evaluated to ensure best value. Following our changes to our cleaning and catering contracts, we have changed our phone contract to provide a more cost effective and improved service and begun the tendering process for our printing contract.
6. The Academy was successful in obtaining funding to work with the Icelandic Education Authority. This project has seen real gains in teaching and learning and will come to an end in September 2015. The school and the Icelandic Education Authority are looking to gain more funds.
7. School to School support with another local Academy with regards to curriculum provision has generated income for the Academy.

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Shoeburyness High School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 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 Finance and Premises Committee and the Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mr Keith Norman as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis (i.e three times a year), 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 Board of Trustees financial responsibilities.

The Board of Trustees confirm that the Internal Auditor has delivered the schedule of work as planned and his recommendations noted and where necessary, have been actioned.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and any weaknesses brought to light are actioned and addressed to ensure continuous improvement of the system.

Approved by the Board of Trustees on 7 December 2015 and signed on its behalf, by:

Mr R Knight
Chair of Trustees

Mr M Schofield
Accounting Officer

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Shoeburyness High School I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of 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 (2014).

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

Mr M Schofield
Accounting Officer

Date: 7 December 2015

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as Governors of Shoeburyness High School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (UKGAAP) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- 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; and
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by the Board of Trustees on 7 December 2015 and signed on its behalf by:

Mr R Knight
Chair of Trustees

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHOEBURYNESS HIGH SCHOOL

We have audited the financial statements of Shoeburyness High School for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's Members those matters we are required to state to them in an 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHOEBURYNESS HIGH SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
14 December 2015

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
SHOEBURYNESS HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 30 January 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Shoeburyness High School during the year 1 September 2014 to 31 August 2015 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 Shoeburyness High School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Shoeburyness High School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Shoeburyness High School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF SHOEBURYNESS HIGH SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Shoeburyness High School's funding agreement with the Secretary of State for Education dated 11 July 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
SHOEBURYNESS HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Gary Miller (Reporting Accountant)

Price Bailey LLP

Chartered Accountants

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

14 December 2015

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	67,634	127,390	-	195,024	191,947
Activities for generating funds	3	252,357	292,321	-	544,678	394,413
Investment income	4	6,419	-	-	6,419	8,167
Incoming resources from charitable activities	5	-	10,102,686	33,498	10,136,184	10,363,671
Other incoming resources		59,869	-	-	59,869	25,267
TOTAL INCOMING RESOURCES		386,279	10,522,397	33,498	10,942,174	10,983,465
RESOURCES EXPENDED						
Charitable activities	7	110,058	10,740,617	726,486	11,577,161	11,590,446
Governance costs	8	-	8,900	-	8,900	8,900
TOTAL RESOURCES EXPENDED	6	110,058	10,749,517	726,486	11,586,061	11,599,346
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS						
		276,221	(227,120)	(692,988)	(643,887)	(615,881)
Transfers between funds	16	-	(317,737)	317,737	-	-
NET EXPENDITURE FOR THE YEAR		276,221	(544,857)	(375,251)	(643,887)	(615,881)
Actuarial gains and losses on defined benefit pension schemes		-	95,000	-	95,000	521,000
NET MOVEMENT IN FUNDS FOR THE YEAR		276,221	(449,857)	(375,251)	(548,887)	(94,881)
Total funds at 1 September 2014		1,075,557	(2,873,842)	15,724,819	13,926,534	14,021,415
TOTAL FUNDS AT 31 AUGUST 2015		1,351,778	(3,323,699)	15,349,568	13,377,647	13,926,534

All activities relate to continuing operations.

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

The notes on pages 23 to 37 form part of these financial statements.

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07825856

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	13		15,329,133		15,724,819
CURRENT ASSETS					
Debtors	14	111,650		214,062	
Cash at bank and in hand		2,244,795		2,258,242	
		<u>2,356,445</u>		<u>2,472,304</u>	
CREDITORS: amounts falling due within one year	15	(964,931)		(994,589)	
			<u>1,391,514</u>		<u>1,477,715</u>
NET CURRENT ASSETS					
			<u>16,720,647</u>		<u>17,202,534</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,720,647</u>		<u>17,202,534</u>
Defined benefit pension scheme liability	21		(3,343,000)		(3,276,000)
			<u>13,377,647</u>		<u>13,926,534</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY					
FUNDS OF THE ACADEMY					
Restricted funds :					
Restricted funds	16	19,301		402,158	
Restricted fixed asset funds	16	15,349,568		15,724,819	
		<u>15,368,869</u>		<u>16,126,977</u>	
Restricted funds excluding pension liability		15,368,869		16,126,977	
Pension reserve		(3,343,000)		(3,276,000)	
			<u>12,025,869</u>		<u>12,850,977</u>
Total restricted funds			12,025,869		12,850,977
Unrestricted funds	16		1,351,778		1,075,557
			<u>13,377,647</u>		<u>13,926,534</u>
TOTAL FUNDS					
			<u>13,377,647</u>		<u>13,926,534</u>

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2015 and are signed on their behalf, by:

Mr R Knight
Chair of Trustees

The notes on pages 23 to 37 form part of these financial statements.

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	18	301,941	137,031
Returns on investments servicing of finance and interest	19	6,419	8,167
Capital expenditure and financial investment	19	(321,807)	(239,849)
DECREASE IN CASH IN THE YEAR		<u>(13,447)</u>	<u>(94,651)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Decrease in cash in the year	<u>(13,447)</u>	<u>(94,651)</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>(13,447)</u>	<u>(94,651)</u>
Net funds at 1 September 2014	2,258,242	2,352,893
NET FUNDS AT 31 AUGUST 2015	<u><u>2,244,795</u></u>	<u><u>2,258,242</u></u>

The notes on pages 23 to 37 form part of these financial statements.

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' published in March 2005 (SORP), the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The Academy is a company limited by guarantee. The Members of the company who are Trustees are named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member of the Academy.

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

Restricted general funds comprise all other restricted funds received and include grants from the DfE.

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

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Any donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

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

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

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 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 one year from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Land	-	straight line over the life of the lease
Leasehold Buildings	-	straight line over 26 years
Motor vehicles	-	10 years straight line
Computer equipment	-	5 years straight line
Furniture and Equipment	-	10 years straight line

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 Taxation

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

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.10 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, are contracted out of the State Second Pension ("S2P"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	67,634	103,590	171,224	158,230
Grants	-	23,800	23,800	33,717
	<u>67,634</u>	<u>127,390</u>	<u>195,024</u>	<u>191,947</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	29,743	-	29,743	17,320
Extended schools	23,773	-	23,773	25,588
Sports activities	-	94,446	94,446	100,769
Music fees	18,085	-	18,085	16,181
Other income	3,224	197,875	201,099	234,555
Catering income	177,532	-	177,532	-
	<u>252,357</u>	<u>292,321</u>	<u>544,678</u>	<u>394,413</u>

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	6,419	6,419	8,167
	<u>6,419</u>	<u>6,419</u>	<u>8,167</u>

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants			
General Annual Grant (GAG)	8,983,207	8,983,207	9,211,356
Other DfE / EFA grants	303,854	303,854	274,559
	<u>9,287,061</u>	<u>9,287,061</u>	<u>9,485,915</u>
Other government grants			
Local authority grants	849,123	849,123	877,756
	<u>849,123</u>	<u>849,123</u>	<u>877,756</u>
	<u>10,136,184</u>	<u>10,136,184</u>	<u>10,363,671</u>

6. RESOURCES EXPENDED

	Staff costs 2015 £	Premises 2015 £	Non Pay Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Charitable activities	6,514,903	-	817,910	7,332,813	7,273,047
Support costs	2,171,304	1,554,607	518,437	4,244,348	4,317,399
Charitable activities	<u>8,686,207</u>	<u>1,554,607</u>	<u>1,336,347</u>	<u>11,577,161</u>	<u>11,590,446</u>
Governance	<u>-</u>	<u>-</u>	<u>8,900</u>	<u>8,900</u>	<u>8,900</u>
	<u>8,686,207</u>	<u>1,554,607</u>	<u>1,345,247</u>	<u>11,586,061</u>	<u>11,599,346</u>

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS		
Wages and salaries	5,369,940	5,225,180
National Insurance	451,507	434,000
Pension cost	693,456	712,323
Educational supplies	417,193	434,875
Examination fees	175,133	177,081
Staff development	41,920	20,575
Technology costs	85,120	168,899
Educational consultancy	6,734	18,870
Travel & subsistence	140	-
Other costs	80,335	70,348
Supply staff costs	11,335	10,896
	7,332,813	7,273,047
SUPPORT COSTS		
Wages and salaries	1,785,126	1,634,292
National Insurance	78,266	82,186
Pension cost	307,912	281,425
Depreciation	713,423	868,778
FRS 17 adjustment	109,000	159,000
Technology costs	29,387	29,047
Travel & subsistence	6,971	6,182
Other costs	84,260	155,794
Recruitment & support	10,221	13,503
Maintenance of premises & machinery	171,795	142,605
Cleaning	182,769	208,333
Rent	116,132	146,518
Rates	54,823	55,423
Energy	155,065	151,277
Insurance	60,928	102,252
Security	18,960	16,770
Transport	18,438	11,701
Catering	151,702	103,508
Occupancy costs	49,013	41,588
Bank interest & charges	558	121
Supply staff costs	24,654	14,073
Printing, postage and stationery	41,044	51,192
Telephone costs	36,535	10,851
Publication and subscription	33,296	30,980
Loss on disposal of tangible fixed assets	4,070	-
	4,244,348	4,317,399
	11,577,161	11,590,446

SHOEBURYNESS HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	6,500	6,500	6,500
Auditors' non audit costs	-	2,400	2,400	2,400
	<u>-</u>	<u>8,900</u>	<u>8,900</u>	<u>8,900</u>
	<u><u>-</u></u>	<u><u>8,900</u></u>	<u><u>8,900</u></u>	<u><u>8,900</u></u>

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned or leased by the Academy	713,423	837,189
Reversal of impairment of fixed assets	-	(4,300)
	<u>-</u>	<u>(4,300)</u>
	<u><u>-</u></u>	<u><u>(4,300)</u></u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	7,155,066	6,859,472
Social security costs	529,773	516,186
Other pension costs	1,001,368	993,748
	<u>8,686,207</u>	<u>8,369,406</u>
	<u><u>8,686,207</u></u>	<u><u>8,369,406</u></u>

b. Staff numbers

The average number of persons (including the Senior Leadership Team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	140	136
Administration and support	99	98
Management	4	4
	<u>243</u>	<u>238</u>
	<u><u>243</u></u>	<u><u>238</u></u>

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10. STAFF (continued)

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	2014
	No.	No.
In the band £ 60,001 - £ 70,000	2	0
In the band £ 70,001 - £ 80,000	2	3
In the band £100,001 - £110,000	1	1
	1	4

Each of the above employees participated in the Teachers' Pension Scheme.

11. TRUSTEES' REMUNERATION AND EXPENSES

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

M Schofield

Remuneration £105,000-£110,000 (2014: £105,000-£110,000)

Employer's Pension contribution £10,000-£15,000 (2014: £15,000-£20,000)

S Bailey

Remuneration £10,000-£15,000 (2014: £nil)

Employer's Pension contribution £0-£5,000 (2014: £nil)

D Burgess

Remuneration £20,000-£25,000 (2014: £25,000-£30,000)

Employer's Pension contribution £nil (2014: £0-£5,000)

P Heron

Remuneration £45,000-£50,000 (2014: £40,000-£45,000)

Employer's Pension contribution £5,000-£10,000 (2014: £5,000-£10,000)

L Rudd

Remuneration £30,000-£35,000 (2014: £35,000-£40,000)

Employer's Pension contribution £5,000-£10,000 (2014: £5,000-£10,000)

During the period 31 August 2015, no Trustees received any reimbursement of expenses for their role as Trustees (2014: £NIL).

Other related party transactions involving the Trustees are set out in note 23.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000. The cost of this insurance is included in the total insurance cost.

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13. TANGIBLE FIXED ASSETS

	Leasehold property £	Motor vehicles £	Furniture and equipment £	Total £
Cost				
At 1 September 2014	16,982,922	37,278	1,017,829	18,038,029
Additions	212,464	-	109,343	321,807
Disposals	-	-	(27,244)	(27,244)
At 31 August 2015	<u>17,195,386</u>	<u>37,278</u>	<u>1,099,928</u>	<u>18,332,592</u>
Depreciation				
At 1 September 2014	1,644,126	13,436	655,648	2,313,210
Charge for the year	587,716	3,518	122,189	713,423
On disposals	-	-	(23,174)	(23,174)
At 31 August 2015	<u>2,231,842</u>	<u>16,954</u>	<u>754,663</u>	<u>3,003,459</u>
Net book value				
At 31 August 2015	<u>14,963,544</u>	<u>20,324</u>	<u>345,265</u>	<u>15,329,133</u>
At 31 August 2014	<u>15,338,796</u>	<u>23,842</u>	<u>362,181</u>	<u>15,724,819</u>

The long term leasehold property has been included in the accounts based on the valuation provided by the EFA using depreciated replacement cost. Trustees believe that the cost of obtaining a more detailed valuation outweighs the benefit.

14. DEBTORS

	2015 £	2014 £
VAT recoverable	53,174	101,676
Other debtors	25,755	43,099
Prepayments and accrued income	32,721	69,287
	<u>111,650</u>	<u>214,062</u>

**15. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	(309)	(1,029)
Other creditors	917,694	946,956
Accruals and deferred income	47,546	48,662
	<u>964,931</u>	<u>994,589</u>

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15. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2014	48,662
Resources deferred during the year	47,546
Amounts released from previous years	(48,662)
	47,546
Deferred income at 31 August 2015	47,546

The majority of resources deferred at the period end relate to contributions towards EFA and SGO funding for the 2015/16 academic year.

16. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	1,075,557	386,279	(110,058)	-	-	1,351,778
Restricted funds						
General Annual Grant (GAG)	359,806	8,983,207	(9,025,276)	(317,737)	-	-
Pupil Premium	-	625,826	(625,826)	-	-	-
SEN	-	166,309	(166,309)	-	-	-
Other government grants	-	302,287	(302,287)	-	-	-
16-19 bursary	-	48,857	(48,857)	-	-	-
Educational visits	16,423	101,063	(98,185)	-	-	19,301
SSCO	-	94,446	(94,446)	-	-	-
Other restricted funds	25,929	200,402	(226,331)	-	-	-
Pension reserve	(3,276,000)	-	(162,000)	-	95,000	(3,343,000)
	(2,873,842)	10,522,397	(10,749,517)	(317,737)	95,000	(3,323,699)
Restricted fixed asset funds						
Restricted fixed assets	15,724,819	-	(713,423)	317,737	-	15,329,133
DFC	-	33,498	(13,063)	-	-	20,435
	15,724,819	33,498	(726,486)	317,737	-	15,349,568
Total restricted funds	12,850,977	10,555,895	(11,476,003)	-	95,000	12,025,869
	13,926,534	10,942,174	(11,586,061)	-	95,000	13,377,647

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure. The transfer out of £317,737 represents the cost of tangible fixed assets, which are shown within the restricted fixed assets fund.

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals.

Special Educational Needs (SEN)

This represents allocated funding for special educational needs pupils.

Other Government Grants

These represent other grants from local and national government bodies.

16 - 19 Bursary

This funding is received to assist 16 to 19 year olds to continue in education, where they might otherwise struggle for financial reasons.

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the visits.

Other restricted funds

This represents income received from additional bodies for a specific purpose.

Pension reserve

This fund represents the School's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the school on conversion from a state controlled school.

Restricted Fixed Asset Funds

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. The transfer in of £207,516 represents the costs of assets acquired in the year which have been funded by GAG funding.

Devolved Formula Capital (DFC) fund

The School is to use the DFC allocation to maintain and improve its buildings and facilities.

SSCO

This represents funding towards the cost of employing an SSCO and specific activities arranged by them.

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SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
General funds	1,075,557	386,279	(110,058)	-	-	1,351,778
Restricted funds	(2,873,842)	10,522,397	(10,749,517)	(317,737)	95,000	(3,323,699)
Restricted fixed asset funds	15,724,819	33,498	(726,486)	317,737	-	15,349,568
	<u>13,926,534</u>	<u>10,942,174</u>	<u>(11,586,061)</u>	<u>-</u>	<u>95,000</u>	<u>13,377,647</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	(20,435)	-	15,349,568	15,329,133	15,724,819
Current assets	2,356,445	-	-	2,356,445	2,472,304
Creditors due within one year	(964,931)	-	-	(964,931)	(994,589)
Provisions for liabilities and charges	(19,301)	(3,323,699)	-	(3,343,000)	(3,276,000)
	<u>1,351,778</u>	<u>(3,323,699)</u>	<u>15,349,568</u>	<u>13,377,647</u>	<u>13,926,534</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(643,887)	(615,881)
Returns on investments and servicing of finance	(6,419)	(8,167)
Depreciation of tangible fixed assets	713,423	837,189
Deficit on disposal of tangible fixed assets	4,070	31,589
Decrease/(increase) in debtors	102,412	(92,276)
Decrease in creditors	(29,658)	(226,423)
FRS 17 interest cost	162,000	211,000
Net cash inflow from operations	<u>301,941</u>	<u>137,031</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>6,419</u>	<u>8,167</u>

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19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(321,807)	(239,849)
	(321,807)	(239,849)

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	2,258,242	(13,447)	-	2,244,795
Net funds	2,258,242	(13,447)	-	2,244,795

21. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

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

The pension costs paid to TPS in the period amounted to £614,968 (2014: £634,627).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £404,000, of which employer's contributions totalled £318,000 and employees' contributions totalled £86,000. The agreed contribution rates for future years are 12.3% for employers and between 5.5% and 6.5% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(4,912,000)	(4,469,000)
Fair value of scheme assets	1,569,000	1,193,000
	(3,343,000)	(3,276,000)
Net liability	(3,343,000)	(3,276,000)

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

	2015 £	2014 £
Current service cost	(371,000)	(376,000)
Interest on obligation	(181,000)	(216,000)
Expected return on scheme assets	72,000	57,000
	(480,000)	(535,000)
Total	(480,000)	(535,000)
Actual return on scheme assets	66,000	119,000

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	4,469,000	4,428,000
Current service cost	371,000	376,000
Interest cost	181,000	216,000
Contributions by scheme participants	86,000	86,000
Actuarial Gains	(101,000)	(523,000)
Benefits paid	(94,000)	(114,000)
Present value of defined benefit obligation on conversion	-	-
	<u>4,912,000</u>	<u>4,469,000</u>
Closing defined benefit obligation	<u>4,912,000</u>	<u>4,469,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	1,193,000	842,000
Expected return on assets	72,000	57,000
Actuarial (losses)	(6,000)	(2,000)
Contributions by employer	318,000	324,000
Contributions by employees	86,000	86,000
Benefits paid	(94,000)	(114,000)
	<u>1,569,000</u>	<u>1,193,000</u>
	<u>1,569,000</u>	<u>1,193,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £(237,000) (2014 - £(332,000)).

The Academy expects to contribute £340,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	65.00 %	64.00 %
Gilts	4.00 %	6.00 %
Other bonds	10.00 %	11.00 %
Property	12.00 %	12.00 %
Cash	2.00 %	3.00 %
Alternative assets	7.00 %	4.00 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Expected return on scheme assets at 31 August	5.30 %	5.30 %
Rate of increase in salaries	4.40 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.60 %
Inflation assumption (RPI)	3.50 %	3.40 %

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21. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(4,912,000)	(4,469,000)	(4,428,000)
Scheme assets	1,569,000	1,193,000	842,000
Deficit	(3,343,000)	(3,276,000)	(3,586,000)
Experience adjustments on scheme assets	(6,000)	(2,000)	57,000

22. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	12,944	-
Between 2 and 5 years	11,821	29,080
	24,765	29,080

There were no commitments with respect to land and buildings.

23. RELATED PARTY TRANSACTIONS

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

Two Trustees, Miss D Burgess and Mrs L Rudd are related to three members of staff employed on contracts of employment.

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

There were no other related party transactions.