

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1
<b>Trustees' Report</b>	2 - 10
<b>Governance Statement</b>	11 - 14
<b>Statement on Regularity, Propriety and Compliance</b>	15
<b>Statement of Trustees' Responsibilities</b>	16
<b>Independent Auditors' Report on the Financial Statements</b>	17 - 19
<b>Independent Reporting Accountant's Report on Regularity</b>	20 - 21
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	22 - 23
<b>Balance Sheet</b>	24
<b>Statement of Cash Flows</b>	25
<b>Notes to the Financial Statements</b>	26 - 52

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	D Gask B Pentelow T Parrott A Hicks B Crawford
<b>Trustees</b>	D Gask, Chair T Parrott D Conway, Accounting Officer A Hicks A Allocca (Resigned 11 July 2019) R James (Resigned 15 January 2019) B Pentelow (Resigned 15 January 2019) G Sprawling
<b>Company registered number</b>	07687474
<b>Company name</b>	North Essex Multi Academy Trust
<b>Registered and principal office</b>	Notley Road Braintree Essex CM7 1WY
<b>Company Secretary</b>	Mr P Harrison (resigned 31 October 2018) Mr P Griffiths (appointed 1 November 2018)
<b>Chief Executive Officer</b>	Mr D Conway
<b>Senior Leadership Team</b>	D Conway, Executive Headteacher P Griffiths, Finance & Operations Director S Donnelly, Headteacher, Richard de Clare Academy R James, Headteacher, The Ramsey Academy C Jacques, Headteacher, Acorn Academy
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Bankers</b>	Lloyds TSB Bank Street Braintree
<b>Solicitors</b>	Ward Hadaway Sandgate House 102, Quayside Newcastle upon Tyne NE1 3DX

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The Trustees present their Annual Report together with the financial statements and Auditor's Report of North Essex Multi Academy Trust (the Trust or the Charitable Company) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Trust operates two Secondary Academies, one Primary and one Infant Academy serving a catchment area in Essex. The Academies have a combined pupil capacity of 3,083 and a roll of 2,829 students in the 2019 census.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents. The Trustees are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as North Essex Multi Academy Trust.

The Charitable Company includes the following Academies ( Schools):

- Notley High School & Braintree Sixth Form, Braintree, Essex from 01.09.2013
- The Ramsey Academy, Halstead, Essex from 01.09.2014
- Richard De Clare Community Academy, Halstead, Essex from 01.09.2016
- Acorn Academy, Witham, Essex from 01.07.2019

The operation of the Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its finance committee. Throughout this report the Board of Trustees is referred to as the Main Governing Body (MGB). Each Academy has appointed Local Governing Committee(s) (LGC) who have delegated authority to administer their Academy within agreed budgets.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section. Within this report the term Trustee refers to a member of the MGB and the term Governor to a member of an LGC.

### **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' and Officers Indemnities**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 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**

Members have the responsibility to recruit and appoint Trustees to a maximum of nine, based on the needs of the Trust.

The method of appointing or electing new Trustees is set out in the Articles of Association and may be redetermined by Members at any time.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the MGB and maintains this role whilst in post.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Method of Recruitment and Appointment or Election of Trustees (continued)**

The total number of Trustees (including the CEO) who are employees of the Company shall not exceed one third of the total number of Trustees, with at least two Parent Trustees being elected or appointed from one of the LGC's, whilst they are a parent of a registered pupil of one of the member Academies.

Trustees and Governors may appoint Co-opted Directors to introduce necessary expertise and experience into the Trust. The appointing Trustees and Governors must not themselves be Co-opted Trustees and Governors.

**Policies and Procedures adopted for the Induction and Training of Trustees**

The Trust has a Trustee/Governor Recruitment, Induction and Training policy available from the Clerk to the Governors and is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training to enable them to perform their role effectively. To this end the Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme includes a tour of the relevant Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with emphasis on the committee work that they will undertake.

All Trustees are enhanced DBS checked on appointment.

Trustees have a specific area made available to them on the Trust 'Intranet'. This area holds a vast amount of information specifically to support, advise and inform Trustees in every aspect of their development in this role.

**Organisational Structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement(s) with the Department of Education.

The MGB, which meets on at least three occasions per year, together with 2 sub committees (Finance, Audit, Premises & HR and Pay Committee). The MGB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting policy, adopting an annual development plan and budget, monitoring the effective use those budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Governors within their LGC's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

The Senior Leadership Teams (SLT's) control the Academies at an executive level implementing policies and reporting to their LGC. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Executive Board (EB) looks across the Trust and aligns local SLT and LGC activity with the strategic aims of The Trust as a whole.

The Trust's CEO is the Accounting Officer.

The Accounting Officer has overall responsibility for the day to day financial management of the Charitable Company and he can delegate responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own Academies and departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Arrangements for setting pay and remuneration of key management personnel**

The arrangements for the setting of pay for key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

These personnel include the Executive Headteacher(s), the Headteachers of each Academy and the Chief Financial Officer (CFO).

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Multi Academy Trust size, each Academy size, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All proposals and amendments to key management's pay and remuneration is approved by the appropriate sub-committee (Pay Committee) and ratified by the MGB.

**Trade Unions**

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	6
Full-time equivalent employee number	5.3

Percentage of time	Number of employees
0%	6
1%-50%	0
50%-99%	0
100%	0

Total Trust pay bill	£9.5m
Cost of facility time	£Nil
Percentage of pay bill spent on facility time	0%

All are zero as none undertake the work in their normal working time but in their own time or lunch times.

**Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Trust's operations and the composition of the MGB and LGCs being drawn from the local area, 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 Trust's financial regulations and normal procurement procedures.

The Trust Academies have strong working relationships for mutual benefit with many local educational establishments. These include a number of primary and secondary schools in the local area. Notley High School & Braintree Sixth Form is the lead Academy for Mid-Essex Initial Teacher Training consortium (MEITT) which provides for the training of approximately 50 teachers each year.

In a number of partnerships, the Trust is working actively to develop a range of improvement initiatives to develop teaching and learning and CPD, including leadership development and initial teacher training. These partnerships include the Saffron Walden Teaching School Alliance (TSA), ASHE and Lyons Hall TSA.

The partnership with 'Notley Family of Schools' (NFOS) continued into 2018-19, constituting a significant amount of the local primary schools in and around the North Essex geographical area. The partnership exists to collaborate across phases and to share good practice with member schools across the community.

Secondary Academies in the Trust work closely with their 'catchment' primaries. There is a full programme of link work delivered by the Trust covering a wide and diverse range of activities including curriculum/extra-curricular based opportunities and also collaborative training and development opportunities for staff and Trustees.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal objective(s) and activity of the Trust is to:

- advance for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools, offering a broad range of curriculum for pupils of different abilities;
- to provide free education and care for pupils of different abilities between the ages of 4 and 19;
- to continue to pursue and develop the Trust growth strategy in relation to the strategic plan and to ensure that this plan reacts to and reflects the ongoing changes in the political and educational landscape.

The aims of the Academies during the year ended 31 August 2019 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to ensure that every student makes at least the expected level of progress against national targets;
- to provide a broad and balanced curriculum, including extra-curricular activities which provide pathways that take account of pupils' needs;
- to improve the Trust facilities and learning environment so that it enables students to achieve their full potential;
- to provide value for money for the funds expended;
- to provide high quality professional development for all staff;
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The Trust aims to achieve the best for, and from, each child. It intends to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Trust is a community in which children, staff and parents should be part of a happy, caring and safe environment.

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our School Improvement Plans ('SIP') summary which is available from the Trust office. The main SIP objectives for the year were as follows:

**Achievement of students**

- Raise achievement at all Key Stages and ensure teaching over time is impacting on achievement.
- To ensure that the most able students achieve the highest grades across a wide range of subjects.

**Quality of teaching**

- Develop work on marking and assessment to raise student achievement.
- Ensure consistently high-quality marking and constructive feedback from teachers so that students make significant and sustained gains in their learning.
- Develop whole school approaches on numeracy and literacy which are highly effective and cohesively planned and implemented across the curriculum to raise student achievement.
- Continue to ensure that high quality Continuous Professional Development for all staff contributes towards better classroom practice.

**Personal development, behaviour and welfare of students**

- Focus on behaviour for learning and learning behaviours which support achievement through Discipline with Dignity.
- Enhance strategies to engage with parents/carers and specifically in relation to parent/student aspirations.
- Improve attendance and engagement of all students across the Trust to 96%.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Leadership and management

- Ensure there are high quality continual professional development opportunities for all middle leaders which provide the tools to raise student achievement and engagement.
- Ensure there is a whole Trust action research programme for all classroom-based staff which provides the tools to raise student achievement.
- Carry out a staff structure review and School spending review to ensure that resources are being deployed and used effectively at all levels within the Trust.
- Further embed the Trust structural review of staffing, services and systems to inform the process of Trust growth in the short to medium term, including ongoing improvement the 'Central Services Model' to enable all key services to be procured, managed and operated from a Lead Academy to achieve value for money and economies of scale.
- Develop a robust system for succession planning across the Trust in terms of Teaching and Associate Staff.

Key activities and targets were identified in the SIP and were driven by our self-evaluation and influenced by the challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status in 2011 and the changing educational landscape in relation to the growth in Multi-Academy Trusts.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to support and improve, for the public benefit, education in Braintree and the surrounding area. In particular by maintaining, managing and developing Schools and offering a broad curriculum.

**STRATEGIC REPORT**

**Achievements and Performance**

During the year, the Trust continued to work towards the delivery the strategic site development plan. It is the intention of the Trustees to continue this refurbishment programme to enhance the learning environment. These projects will be funded from a combination of the Trust's financial reserves and capital grant from the Education Skills Funding Agency.

At Notley High School 60% of students have achieved grade 4 or higher in both English and Maths GCSE. 101 students achieved at least 5 grades of 5 or higher, and 22 students achieved at least one grade 9. 15% of all grades achieved were 9-7 (or equivalent).

At Braintree Sixth Form the overall pass rate improved to just under 98%, a considerable achievement with the new reformed A Levels. 36% of the grades were A\* - B

At Ramsey Academy 63% of students achieved grades of 9 – 4 and 35% % of students achieved grades of 9 – 5 in both English and Maths GCSE. The number of students achieving the highest grades increased.

At Richard de Clare Community Academy pupil outcomes were 59% meeting expected standards in Reading, Writing and Math's, with 10% achieving at a higher standard. The average scores in reading and math's individually were 104 and 105 respectively, which was exactly on the national averages.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Key Performance Indicators (KPIs)**

The Trustees receive regular information to enable them to monitor the performance of the Academies compared to aims, targets, strategies and financial budgets. As core funding is based on pupil numbers, this is a key performance indicator and the total pupil numbers increased from 2,510 pupils in 2018 to 2,563 pupils in 2019. The pupil number increased further to 2,829 in July 2019 with the addition of Acorn Academy.

A continuing review of KPI's are carried out each year to react to the ever-changing educational context and persistent pressure on school budgets. The Trust continues to analyse the following ratios which are now embedded into Financial Management structures of all Academies:

- Staffing cost % of core funding (GAG);
- Teachers pay % of core funding (GAG);
- Core funding per pupil;
- Staffing cost % of total income
- Net useable reserves % of core funding (GAG);
- GCSE - A\* to C (Including English & Maths);
- Total pay % of core funding (GAG);
- Total pay % of total income.
- Average teachers' pay cost

**Going Concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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 General Annual Grant (GAG) in the form of recurrent grants obtained from the DfE via the Education & Skills Funding Agency (ESFA). This can relate to Revenue & Capital funding. Its use is restricted to particular educational purposes. The total grants received from the DfE/ESFA during the year ended 31 August 2018 amounted to £12,894,839 (2018: £12,909,407) (including Local Authority grants). This income together with the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

A high percentage of this income is increasingly spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education.

The Trust brought forward from 17/18, £64,598 restricted funding and £399,170 unrestricted funding. The carry forward for 18/19 is £251,514 restricted funding and £100,687 unrestricted funding. This represents an in-year deficit of £111,567 within restricted and unrestricted reserves. This in year deficit is due largely to the continuing 'real terms' reduction in core funding and cost pressure on wages and salary expenditure.

At 31 August 2019 the net book value of fixed assets was £28,904,690 (2018: £24,175,511) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. The fixed asset and depreciation policy has a capitalisation threshold £10,000.

Due to accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £8,585,000 (2018: £6,010,000 deficit). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The deficit is incorporated within the Statement of Financial Activity with details in note 18 to the financial statements.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Key financial policies adopted or reviewed during the year include revision to the Finance Regulations Manual. The Finance Regulations Manual sets out the framework for financial management, including financial responsibilities of the Trustees, Executive Headteacher (as Accounting Officer), the Chief Finance Officer, managers, budget holders and other affected staff, as well as delegated authority for expenditure and procurement protocols.

Trustees have adopted an external verification process for scrutiny of financial management as part of its risk management system as part of its review of internal controls. Audit now forms part of the Finance, Audit, Premises and HR Committee which reports directly to the MGB on key areas of control within the accounting function. Particular attention is given to control systems and processes that may expose the Trust to poor regularity or propriety issues or exposure to fraud.

The Trustees have agreed a strategic approach to robust financial management and budgetary control whilst continuing to invest in human and physical resources to sustain the Trust's development priorities. They have also taken a prudent approach to policy on reserves in order to protect the organisation from commercial, political and financial risk. This strategic plan is in line with and reinforces the objectives in the Trust's Funding Agreement.

#### **Reserves Policy**

The Trust adopts a strategic and pragmatic approach to reserves policy.

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match revenue income with commitments through budgetary control and also the various elements and strategic uses that need to be allocated to different layers of reserves. The Trustees take into consideration the future plans of each Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trust's total reserves at the balance sheet date of 31 August 2019 were £21,259,779 (2018: £18,666,155).

Free reserves (working capital reserves) will be allocated to Trust improvement priorities, via the Executive Committee, through the development planning process. This will include allocation to further capital project commitment if required. The Trust's current level of free reserves (total funds less the amount held in fixed assets (net) and restricted funds) is £352,194 (2018: £463,768).

Other considerations for use of the general reserve are:

- Fixed asset/equipment replenishment.
- Trust growth investment expenditure.
- Post Ofsted action plan/support costs/improvement planning.
- Special School improvement projects.
- IT refresh.
- Cost pressure turbulence.
- Staffing turbulence.

#### **Investment Policy**

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns whilst ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Principal Risks and Uncertainties**

The Trust works with Academy LGC's in maintaining a Central Risk Register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, 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.

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

**Financial** - the Trust has considerable reliance on continued Government funding through the ESFA, 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.

**Physical Environment** – Ongoing concerns over funding levels in the short/medium term also translate to 'Capital Funding' availability from Government. The Trust currently operates a 'Strategic Site Development Plan' for all its estates delivering significant improvements to buildings and infrastructure on a rolling basis. However, the general condition of the buildings is a perennial problem requiring ongoing attention and consistent levels of maintenance and capital funding.

**Reputational** - The continuing success and growth of the Trust and its Academies is dependent on consistently attracting student applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, trustees ensure that student success, progress 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, recruitment and monitoring of staff, the operation of child protection policies and procedures and health & safety and risk assessment of these critical areas of operation. This continues to be a very high priority.

**Staffing** - the success of the Trust is reliant on the quality of its staff and the Trustees monitor and review policies and processes to ensure continued development and training of staff as well as ensuring there is clear succession planning. Performance management procedures have been enhanced and are being robustly employed to ensure that all staff meet the very highest standards in relation to all aspects of School performance and operational management. Wellbeing systems are being developed to enhance and secure high levels of staff retention.

**Fraud and mismanagement of funds** - The Trust has appointed Price Bailey LLP to carry out audit and compliance checks on financial systems, records and controls as recommended in the Academies Financial Handbook. All finance staff receive internal/external training to keep them up to date with financial practice requirements and to support them in their development and understanding of this area of risk.

The Trust and each Academy have continued to monitor its risk management process throughout the year by improving systems and ensuring that senior staff awareness is refreshed.

Through dialogue, discussion, monitoring and reporting, effective mitigation of risk is being maintained. Where significant financial risk remains then the Trustees have ensured that adequate insurance cover is in place.

**Fundraising**

The Trust only held small fundraising events during the year including Summer Fayres, Christmas fetes and non-uniform days. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**PLANS FOR FUTURE PERIODS**

The Trust will continue to strive to provide outstanding education and improve the levels of performance and progress of its students at all levels. To achieve this, we will aim to continue to attract high quality teachers and associate staff in order to deliver these objectives. Central to our educational aspirations is the desire to:

- To consistently identify those learners who require additional support to ensure they make good progress at all times;
- To continue to raise the standard of educational attainment, progress and achievement of all pupils;
- To strive to find ways to raise aspiration levels in our students to facilitate improved progress and results;
- To ensure that the most able students are encouraged and challenged to ensure that they reach their full potential;
- To provide a broad and balanced curriculum, including extra-curricular activities which provide pathways that take account of pupils' needs and the changing educational landscape;
- To continue to ensure that all students and staff work in a safe and secure environment;
- To develop and embed systematic 'School to School' support mechanisms to improve outcomes for all Trust schools.

The Trust will continue to work with partners (including feeder primaries and the local educational Primary/Secondary networks) to improve the educational opportunities for students in the wider community.

The Trustees are committed to continued investment in the buildings and the learning environment. Further capital funding is continuously being sought to allow the Strategic Site Development Plan to be delivered.

The Trustees are actively seeking opportunities to continue to grow the Trust to create a 'family' of close schools who can benefit from a more collaborative and partnership approach. We are working closely with our education partners to achieve these aspirations.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Trust acts as an agent administering the 'Mid-Essex Initial Teacher Training' scheme (MEITT) and the Business and Attendance Partnership (BAP). The charitable objects of both these schemes fit in with those of the Trust as the funds are held for teacher training and other education related expenditure. Payments received and subsequent disbursements to students and trainees are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use a proportion of the costs towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 24.

**AUDITOR**

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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Price Bailey LLP have indicated their willingness to continue in office.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, on 20 December 2019 and signed on its behalf by:

.....  
**D Gask**  
(Chair of Trustees)

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between North Essex Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Gask, Chair	7	7
T Parrott, Vice Chair	7	7
D Conway, Accounting Officer	7	7
A Hicks	6	7
A Allocca (resigned 11 July 2019)	4	6
R James (resigned 15 January 2019)	2	2
B Pentelow (resigned 15 January 2019)	2	2
G Sprawling	5	7

**Review of year:**

In 2018-19 the Trustees continued with their review of the Governance structures in relation to the roles and responsibilities of Members, Trustees and Governors. This review was intended to:

- enhance and improve communication strategy from Trustees to all stakeholders of the organisation, with specific emphasis on more dialogue between Trustees and Governors;
- clearly define the layers of accountability for Members and Trustees;
- reduce duplication in governance monitoring;
- improve the accountability framework across the Trust;
- improve communication between the Trust and the local community;
- improve the monitoring and evaluation procedures between Trustees and the Academies to enable and further enhance School improvement; and
- align the governance structure based on the latest DFE recommendation to facilitate future growth of the Trust.

As a result of this process the trust disbanded the dedicated Audit Committee and included the function within the Finance, Audit, Premises and HR committee's remit.

To improve the quality of financial data presented the Trust commissioned a tender process for a dedicated multi academy trust accounting system. This has improved the Trusts access to consolidated reporting and has also allowed the transition to a separate Trust budget.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

**Governance reviews:**

In 2018-19 the Trust undertook an external review of governance to assess the effectiveness of governance. The report made a number of recommendations in regard to separation of duties between Members, Trustees and Governors, structure of sub committees, reducing the scope of the risk register and giving consideration to an annual self-assessment exercise. The Trust has acted on these recommendations and continues to make progress on their implementation.

The report concluded 'Overall the current effectiveness of governance at NEMAT is very good and I am also confident that the Trust has the capacity and commitment to prioritise and make further ongoing changes that will enable NEMAT to evolve its governance so that it remains fit for purpose in the future.'

The Finance, Audit, Premises and HR Committee is a sub-committee of the Board of Trustees. Its purpose is to ensure that robust and effective systems of internal control exist in the Trust. This Committee meets at least termly, its objective is to review the effectiveness of the Trust's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and compliant manner. The Committee also liaises with the external Auditor and the Internal Auditor.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
D Gask, Chair	4	4
D Conway, Accounting Officer	4	4
T Parrott, Vice Chair	4	4
G Sprawling	3	4
R James (resigned 15 January 2019)	1	1
M Bailey	3	3

**Review of value for money**

As Accounting Officer, the Executive Headteacher 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 appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Ensuring that tendering procedures are robust when the value of products or works exceeds recognised levels.
- The School tendering policy ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with all major projects.
- Endeavouring to increase income generation through greater community use of facilities such as the sports centre and arts theatre and general lettings, as well as trading out much needed local education services to other schools.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**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 on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in North Essex Multi-Academy Trust for the year 1 September 2018 to 31 August 2019 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 Trust 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 Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Audit, Premises and HR 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as Internal Auditor.

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

- Testing of payroll & HR systems
- Testing of payroll reconciliation processes

On an annual basis, the Internal Auditor reports to the Board of Trustees through the Finance, Audit, Premises and HR Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust 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 Finance, Audit, Premises and HR Committee Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 20 December 2019 and signed on their behalf by:

.....  
**D Gask**  
Chair of Trustees

.....  
**D Conway**  
Accounting Officer

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of North Essex Multi-Academy Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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

.....  
**D Conway**  
Accounting Officer  
Date: 20 December 2019

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 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 Board of Trustees and signed on its behalf by:

.....  
**D Gask**  
(Chair of Trustees)  
Date: 20 December 2019

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTH ESSEX MULTI-ACADEMY TRUST**

**Opinion**

We have audited the financial statements of North Essex Multi-Academy Trust (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTH ESSEX MULTI-ACADEMY TRUST (CONTINUED)**

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. 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.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the Strategic Report for 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 Trust 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.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF NORTH ESSEX MULTI-ACADEMY TRUST (CONTINUED)**

**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This Report is made solely to the Trust'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 Trust'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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

**Mr Gary Miller (Senior Statutory Auditor)**

for and on behalf of

**Price Bailey LLP**

**Chartered Accountants  
Statutory Auditors**

**Date: 20 December 2019**

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH  
ESSEX MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 8 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by North Essex Multi-Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to North Essex Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to North Essex Multi-Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than North Essex Multi-Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

**Respective responsibilities of North Essex Multi-Academy Trust's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of North Essex Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH ESSEX MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- 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, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

**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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant**

**Price Bailey LLP**

**Chartered Accountants  
Statutory Auditors**

**Date: 20 December 2019**

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants:	3					
Transfer on conversion		213,971	(588,000)	5,288,128	4,914,099	-
Other donations and capital grants		4,710	355,799	796,107	1,156,616	508,638
Charitable activities	4	542,834	13,028,727	-	13,571,561	12,964,446
Other trading activities	5	841,798	98,313	-	940,111	967,775
Investments	6	634	-	-	634	725
<b>Total income</b>		<u>1,603,947</u>	<u>12,894,839</u>	<u>6,084,235</u>	<u>20,583,021</u>	<u>14,441,584</u>
<b>Expenditure on:</b>						
Charitable activities	7	1,871,881	14,055,510	857,006	16,784,397	16,313,665
<b>Total expenditure</b>		<u>1,871,881</u>	<u>14,055,510</u>	<u>857,006</u>	<u>16,784,397</u>	<u>16,313,665</u>
<b>Net (expenditure)/ income</b>		<u>(267,934)</u>	<u>(1,160,671)</u>	<u>5,227,229</u>	<u>3,798,624</u>	<u>(1,872,081)</u>
Transfers		(30,549)	(22,413)	52,962	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>(298,483)</u>	<u>(1,183,084)</u>	<u>5,280,191</u>	<u>3,798,624</u>	<u>(1,872,081)</u>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	24	-	(1,205,000)	-	(1,205,000)	1,594,000
<b>Net movement in funds</b>		<u><u>(298,483)</u></u>	<u><u>(2,388,084)</u></u>	<u><u>5,280,191</u></u>	<u><u>2,593,624</u></u>	<u><u>(278,081)</u></u>

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Note					
<b>Reconciliation of funds:</b>					
Total funds brought forward	399,170	(5,945,404)	24,212,387	18,666,155	18,944,236
Net movement in funds	(298,483)	(2,388,084)	5,280,191	2,593,624	(278,081)
<b>Total funds carried forward</b>	<u>100,687</u>	<u>(8,333,488)</u>	<u>29,492,578</u>	<u>21,259,777</u>	<u>18,666,155</u>

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

The notes on pages 26 to 52 form part of these financial statements.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07687474**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	28,904,690	24,175,511
<b>Current assets</b>			
Debtors	15	924,156	403,909
Cash at bank and in hand		1,163,403	1,090,269
		2,087,559	1,494,178
Creditors: amounts falling due within one year	16	(1,082,746)	(993,534)
<b>Net current assets</b>		1,004,813	500,644
<b>Total assets less current liabilities</b>		29,909,503	24,676,155
Creditors: amounts falling due after more than one year	17	(64,724)	-
<b>Net assets excluding pension liability</b>		29,844,779	24,676,155
Defined benefit pension scheme liability	24	(8,585,000)	(6,010,000)
<b>Total net assets</b>		21,259,779	18,666,155
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds		29,492,578	24,212,387
Restricted income funds		251,514	64,598
		29,744,092	24,276,985
Restricted funds excluding pension liability		29,744,092	24,276,985
Pension reserve		(8,585,000)	(6,010,000)
<b>Total restricted funds</b>		21,159,092	18,266,985
<b>Unrestricted income funds</b>		100,687	399,170
<b>Total funds</b>		21,259,779	18,666,155

The financial statements on pages 22 to 52 were approved by the Trustees, and authorised for issue on 20 December 2019 and are signed on their behalf, by:

**D Gask**  
(Chair of Trustees)

The notes on pages 26 to 52 form part of these financial statements.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	(937,578)	(207,282)
<b>Cash flows from investing activities</b>	21	1,010,712	725
<b>Change in cash and cash equivalents in the year</b>		73,134	(206,557)
Cash and cash equivalents at the beginning of the year		1,090,269	1,296,826
<b>Cash and cash equivalents at the end of the year</b>	22	<u>1,163,403</u>	<u>1,090,269</u>

The notes on pages 26 to 52 form part of these financial statements

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Trust, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

North Essex Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

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

**1.3 Income**

All incoming resources are recognised when the Trust 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.

• **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.

• **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.3 Income (continued)**

on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

**1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.7 Taxation**

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust 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.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.8 Tangible fixed assets**

Assets costing £10,000 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 on a basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long term leasehold property	- 50 years straight line
Long term leasehold land	- 50 years straight line
Fixtures, fittings and equipment	- 10 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.

**1.9 Debtors**

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

**1.10 Cash at bank and in hand**

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

**1.11 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.12 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust 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 15. Prepayments are not financial instruments. 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 notes 16 and 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.

**1.13 Operating leases**

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

**1.14 Pensions**

Retirement benefits to employees of the Trust 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.15 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust 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. 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 Trustees make 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 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2019. 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.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	218,681	(232,201)	5,288,128	5,274,608
Capital grants	-	-	796,107	796,107
	<u>218,681</u>	<u>(232,201)</u>	<u>6,084,235</u>	<u>6,070,715</u>

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	307,249	-	307,249
Government grants	-	201,389	201,389
	<u>307,249</u>	<u>201,389</u>	<u>508,638</u>

**4. Funding for the Academy Trust's activity**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	11,873,912	11,873,912
Other DfE / EFA grants	-	733,028	733,028
Special educational projects	-	19,883	19,883
Other LA income	-	401,904	401,904
Catering income	542,834	-	542,834
	<u>542,834</u>	<u>13,028,727</u>	<u>13,571,561</u>

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	11,318,599	11,318,599
Other DfE / EFA grants	-	675,772	675,772
Special educational projects	-	15,514	15,514
Other LA income	-	426,286	426,286
Catering income	528,275	-	528,275
<b>Total 2018</b>	<b>528,275</b>	<b>12,436,171</b>	<b>12,964,446</b>

**5. Income from other trading activities**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Hire of facilities	283,111	-	283,111
Other income	558,687	98,313	657,000
	<b>841,798</b>	<b>98,313</b>	<b>940,111</b>

Included within other income is administration of the Mid Essex Initial Teacher Training scheme (MEITT) £229,123 (2018: £210,375), class sales £112,280 (2018: £114,013), counselling and other educational services £113,508 (2018: £181,771), nursery fees £13,667 (2018: £nil), tuition income of £7,880 (2018: £40,654) and other income of £180,542 (£165,964).

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Hire of facilities	254,998	-	254,998
Other income	546,790	165,987	712,777
<b>Total 2018</b>	<b>801,788</b>	<b>165,987</b>	<b>967,775</b>

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**6. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	634	634	725
	<u>634</u>	<u>634</u>	<u>725</u>

In 2018, bank interest was £725 of which all was unrestricted.

**7. Expenditure**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Education				
Direct costs	9,937,477	-	1,224,542	11,162,019
Support costs	2,842,814	930,088	1,849,476	5,622,378
	<u>12,780,291</u>	<u>930,088</u>	<u>3,074,018</u>	<u>16,784,397</u>

	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Education				
Direct costs	9,520,230	-	1,057,719	10,577,949
Support costs	2,590,056	1,054,586	2,091,074	5,735,716
Total 2018	<u>12,110,286</u>	<u>1,054,586</u>	<u>3,148,793</u>	<u>16,313,665</u>

**8. Extra note**

	2019 £	2018 £
Direct costs	11,162,018	10,577,949
Support costs	5,622,376	5,735,716
	<u>16,784,394</u>	<u>16,313,665</u>

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	2019 £	2018 £
<b>Support costs</b>		
Support staff costs	2,842,814	2,590,056
Depreciation	558,949	541,320
Technology costs	265,796	201,651
Premises costs	930,088	1,054,586
Other support costs	1,002,353	1,330,886
Governance costs	22,376	17,217
	5,622,376	5,735,716

**9. Net (expenditure)/income**

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	228,014	907,192
Depreciation of tangible fixed assets	558,949	541,320
Fees paid to Auditors for:		
- audit	13,790	13,390
- other services	6,380	6,694
	13,549	13,084

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	9,565,662	9,102,327
Social security costs	865,209	826,483
Pension costs	2,256,641	2,100,417
	<u>12,687,512</u>	<u>12,029,227</u>
Agency staff costs	92,779	81,059
	<u>12,780,291</u>	<u>12,110,286</u>

Staff restructuring costs comprise:

Included above in social security costs is amount paid relating to apprenticeship levy of £9,778 (2018: £5,474)

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

During the year the Academy Trust made payments to one individual of £32,889 (2018: £Nil) which included £22,889 payment in lieu of notice and a £10,000 termination payment authorised by the Trust Board.

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	153	157
Administration and support	222	206
Management	21	20
	<u>396</u>	<u>383</u>

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Staff costs (continued)**

**d. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	3	4
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	-	1
In the band £110,000 - £120,000	1	-
	1	-

**e. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Trust was £436,578 (2018: £429,823).

Included in the above are employer pension contributions of £58,578 (2018: £57,803) and employers national insurance contributions of £41,622 (2018: £41,091).

**11. Central services**

The Trust has provided the following central services to its Academies during the year:

- Financial and business support (including audit).
- Payroll services.
- Central technology costs.
- Other professional services.

The Trust charges for these services on the following basis:

During 2018/19 central costs were recharged either on a time and usage basis, a directly allocated cost basis or on a per pupil basis. The amount of costs recharged on a per pupil basis were £269,277 which equated to £95.18 per pupil.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Notley High School	151,425	106,186
The Ramsey Academy	65,520	55,731
Richard de Clare Academy	47,088	34,095
Acorn Academy	5,244	-
<b>Total</b>	<b>269,277</b>	<b>196,012</b>

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**12. Trustees' remuneration and expenses**

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

		2019	2018
		£	£
D Conway, CEO and Accounting Officer	Remuneration	110,000 - 115,000	105,000 - 110,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
R James (Resigned 15 January 2019)	Remuneration	80,000 - 85,000	80,000 - 85,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000

During the year ended 31 August 2019, expenses totalling £516 were reimbursed to 2 Trustees (2018: £290 to 1 Trustee). In relation to travel and subsistence.

**13. Trustees', Governors and Officers' insurance**

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Total £
<b>Cost or valuation</b>			
At 1 September 2018	27,799,248	45,348	27,844,596
Transfer on conversion	5,288,128	-	5,288,128
	<u>33,087,376</u>	<u>45,348</u>	<u>33,132,724</u>
<b>Depreciation</b>			
At 1 September 2018	3,643,245	25,840	3,669,085
Charge for the year	554,414	4,535	558,949
	<u>4,197,659</u>	<u>30,375</u>	<u>4,228,034</u>
<b>Net book value</b>			
At 31 August 2019	<u>28,889,717</u>	<u>14,973</u>	<u>28,904,690</u>
At 31 August 2018	<u>24,156,003</u>	<u>19,508</u>	<u>24,175,511</u>

**15. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	10,538	75,335
VAT repayable	21,809	37,579
Prepayments and accrued income	891,809	290,995
	<u>924,156</u>	<u>403,909</u>

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**16. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Other loans	6,696	-
Trade creditors	21,409	70,495
Other taxation and social security	239,706	205,725
Other creditors	460,281	426,045
Accruals and deferred income	354,654	291,269
	<u>1,082,746</u>	<u>993,534</u>
	<u>1,082,746</u>	<u>993,534</u>
	2019 £	2018 £
Deferred income at 1 September 2018	273,030	190,617
Resources deferred during the year	310,148	273,030
Amounts released from previous periods	(273,030)	(190,617)
	<u>310,148</u>	<u>273,030</u>
	<u>310,148</u>	<u>273,030</u>

The majority of resources deferred at the period end relate to school trip and events income.

**17. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Other loans	64,724	-
	<u>64,724</u>	<u>-</u>
	<u>64,724</u>	<u>-</u>

Included within other loans is a CIF loan totalling £71,420 of which £6,696 is due within one year and £64,724 due in 2 - 5 years of which £29,014 is due in more than 5 years. The loan bears an annual interest rate of 2.1800%.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
General Funds - all funds	399,170	1,603,947	(1,871,881)	(30,549)	-	100,687
<b>Restricted general funds</b>						
General Annual Grant	-	11,861,539	(11,839,126)	(22,413)	-	-
Other Dfe/ESFA grants	-	747,783	(747,783)	-	-	-
SEN funding	-	180,464	(180,464)	-	-	-
Other Government grants	-	238,943	(238,943)	-	-	-
Tango	-	4,410	(4,410)	-	-	-
Other restricted funds	-	21,180	(21,180)	-	-	-
School fund	64,598	428,520	(241,604)	-	-	251,514
Pension reserve	(6,010,000)	(588,000)	(782,000)	-	(1,205,000)	(8,585,000)
	<u>(5,945,402)</u>	<u>12,894,839</u>	<u>(14,055,510)</u>	<u>(22,413)</u>	<u>(1,205,000)</u>	<u>(8,333,486)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	24,175,511	5,288,128	(558,947)	-	-	28,904,692
Devolved Formula Capital	-	166,601	(166,601)	11,570	-	11,570
Condition Improvement Fund	36,876	626,488	(128,440)	41,392	-	576,316
Other Capital income	-	3,018	(3,018)	-	-	-
	<u>24,212,387</u>	<u>6,084,235</u>	<u>(857,006)</u>	<u>52,962</u>	<u>-</u>	<u>29,492,578</u>
<b>Total Restricted funds</b>	<u>18,266,985</u>	<u>18,979,074</u>	<u>(14,912,516)</u>	<u>30,549</u>	<u>(1,205,000)</u>	<u>21,159,092</u>
<b>Total funds</b>	<u>18,666,155</u>	<u>20,583,021</u>	<u>(16,784,397)</u>	<u>-</u>	<u>(1,205,000)</u>	<u>21,259,779</u>

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Statement of funds (continued)**

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

**Unrestricted funds**

This represents income received that does not have restrictions.

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

**Other DfE/ESFA grants**

This represents various grants from the DfE and ESFA for the provision of specific services to pupils of the Schools.

**SEN funding**

This income represents restricted funding from the Local Authority and is used towards the education of pupils with special educational needs and disabilities.

**Other Government grants**

This represents grants from national Government bodies for the provision of specific services to pupils of the Schools.

**School fund**

This represents the separate funds that are held by each individual School, mostly relating to trips.

**Other restricted funds including Tango**

This represents income received at Trust level and is restricted in nature.

**Pension reserve**

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

**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.

**Devolved Formula Capital Fund**

The Trust is to use the Devolved Formula Capital allocation to maintain and improve its buildings and facilities.

**Condition Improvement Fund**

Condition Improvement Funding is to be applied to specific capital and maintenance projects. Transfers from unrestricted funds relate to CIF overspend in one School.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Statement of funds (continued)**

**Total funds analysis by Academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Notley High School	76,679	123,018
The Ramsey Academy	(86,655)	241,486
Richard de Clare Academy	149,204	99,264
Acorn Academy	212,973	-
	352,201	463,768
Total before fixed asset funds and pension reserve		
Restricted fixed asset fund	29,492,578	24,212,387
Pension reserve	(8,585,000)	(6,010,000)
	21,259,779	18,666,155
<b>Total</b>	<b>21,259,779</b>	<b>18,666,155</b>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Ramsey Academy	86,655

The Ramsey Academy has seen a negative impact in general annual grant funding due to lagged funding from an increasing student intake. The Academy has now reached a point where it is approaching capacity and the lagged funding element will catch up.

The Trust is taking the following action to return the Academy to surplus:

To ensure that the Academy is able to return to a positive reserves position a financial action plan has been agreed by Trustees to reverse the in-year deficit position. This plan includes an agreed review of identified contracts, increased sharing of staffing resources across the Trust and the generation of additional income using the current staff base.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Statement of funds (continued)**

**Total cost analysis by Academy**

Expenditure incurred by each Academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Notley High School	5,356,292	1,905,528	478,593	1,700,880	9,441,293
The Ramsey Academy	2,871,091	741,167	116,622	677,544	4,406,424
Richard de Clare Academy	1,353,853	248,457	47,342	323,819	1,973,471
Acorn Academy	329,502	34,642	4,371	35,743	404,258
<b>Trust</b>	<u>9,910,738</u>	<u>2,929,794</u>	<u>646,928</u>	<u>2,737,986</u>	<u>16,225,446</u>

In 2018, teaching and educational support staff costs was £9,520,230 of which £5,447,293 was by spent by Notley High School, £2,766,100 by The Ramsey Academy, £1,306,837 by Richard De Clare Primary, and £nil by Acorn Academy.

In 2018, other support staff costs was £2,590,056 of which £1,770,758 was by spent by Notley High School, £588,492 by The Ramsey Academy, £230,806 by Richard De Clare Primary, and £nil by Acorn Academy.

In 2018, educational supplies was £603,793 of which £395,959 was by spent by Notley High School, £145,836 by The Ramsey Academy, £61,998 by Richard De Clare Primary, and £nil by Acorn Academy.

In 2018, other costs excluding depreciation was £3,059,266 of which £1,922,554 was by spent by Notley High School, £788,988 by The Ramsey Academy, £347,724 by Richard De Clare Primary, and £nil by Acorn Academy.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Statement of funds (continued)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Unrestricted funds	734,719	1,330,788	(1,653,690)	(12,647)	-	399,170
<b>Restricted funds</b>						
GAG	-	11,318,599	(11,318,599)	-	-	-
Other Dfe/ESFA grants	-	691,286	(691,286)	-	-	-
SEN funding	-	206,198	(206,198)	-	-	-
Other Government grants	-	220,088	(220,088)	-	-	-
Tango	-	7,785	(7,785)	-	-	-
Other restricted funds	-	87,407	(87,407)	-	-	-
School fund	76,361	378,044	(389,807)	-	-	64,598
Pension reserve	(6,866,000)	-	(738,000)	-	1,594,000	(6,010,000)
	(6,789,639)	12,909,407	(13,659,170)	-	1,594,000	(5,945,402)
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	24,716,831	-	(541,320)	-	-	24,175,511
DFC	-	47,057	(47,057)	-	-	-
CIF	282,325	154,332	(412,428)	12,647	-	36,876
	24,999,156	201,389	(1,000,805)	12,647	-	24,212,387
<b>Total Restricted funds</b>	18,209,517	13,110,796	(14,659,975)	12,647	1,594,000	18,266,985
<b>Total funds</b>	18,944,236	14,441,584	(16,313,665)	-	1,594,000	18,666,155

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	28,904,690	28,904,690
Current assets	1,248,157	251,514	587,888	2,087,559
Creditors due within one year	(1,082,746)	-	-	(1,082,746)
Creditors due in more than one year	(64,724)	-	-	(64,724)
Provisions for liabilities and charges	-	(8,585,000)	-	(8,585,000)
<b>Total</b>	<u>100,687</u>	<u>(8,333,486)</u>	<u>29,492,578</u>	<u>21,259,779</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	24,175,511	24,175,511
Current assets	1,392,704	64,598	36,876	1,494,178
Creditors due within one year	(993,534)	-	-	(993,534)
Provisions for liabilities and charges	-	(6,010,000)	-	(6,010,000)
<b>Total</b>	<u>399,170</u>	<u>(5,945,402)</u>	<u>24,212,387</u>	<u>18,666,155</u>

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	3,798,624	(1,872,081)
<b>Adjustments for:</b>		
Depreciation	558,949	541,320
Capital grants from DfE and other capital income	(796,107)	-
Interest receivable	(634)	(725)
Defined benefit pension scheme adjustment	782,000	738,000
(Increase)/decrease in debtors	(520,247)	288,347
Increase in creditors	153,936	97,857
Transfer of fixed assets on conversion	(5,288,128)	-
Transfer of pension deficit on conversion	588,000	-
Transfer of cash on conversion	(213,971)	-
<b>Net cash used in operating activities</b>	<b>(937,578)</b>	<b>(207,282)</b>

**21. Cash flows from investing activities**

	2019 £	2018 £
Interest	634	725
Capital grants from DfE Group	796,107	-
Transfer of cash on conversion	213,971	-
<b>Net cash provided by investing activities</b>	<b>1,010,712</b>	<b>725</b>

**22. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	1,163,403	1,090,269

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**23. Conversion to an academy trust**

On 1 July 2019 Powers Hall Infant School (now called Acorn Academy) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to North Essex Multi-Academy Trust from Essex County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from Local Authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>			
Freehold land and buildings	-	5,288,128	5,288,128
<b>Current assets</b>			
Cash - representing budget surplus on LA funds	213,971	-	213,971
<b>Net assets</b>	213,971	5,288,128	5,502,099

Included within restricted fixed assets are leasehold land and buildings with a lease term of 125 years.

**24. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**24. Pension commitments (continued)**

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**24. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £999,004 (2018 - £992,109).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

**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 2019 was £793,000 (2018 - £697,000), of which employer's contributions totalled £620,000 (2018 - £540,000) and employees' contributions totalled £ 173,000 (2018 - £157,000). The agreed contribution rates for future years are 12.4 per cent for employers and 5.5-8.5 per cent for employees.

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

**Principal actuarial assumptions**

	2019	2018
	%	%
Rate of increase in salaries	3.68	3.80
Rate of increase for pensions in payment/inflation	2.18	2.30
Discount rate for scheme liabilities	1.88	2.65
Inflation assumption (CPI)	2.18	2.30
Inflation assumption (RPI)	3.18	3.30

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

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**24. Pension commitments (continued)**

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

As at the 31 August 2019 the Trust had a pension liability of £8,585,000 (2018 - £6,010,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way:

**Sensitivity analysis**

	2019 £	2018 £
Discount rate +0.1%	(394,000)	(256,410)
Discount rate -0.1%	405,000	256,410
Mortality assumption - 1 year increase	604,000	93,240
Mortality assumption - 1 year decrease	(582,000)	(93,240)
CPI rate +0.1%	354,000	209,790
CPI rate -0.1%	(346,000)	(209,790)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	4,514,000	3,594,000
Gilts	394,000	301,000
Corporate bonds	403,000	330,000
Property	573,000	503,000
Cash and other liquid assets	210,000	192,000
Alternative assets	702,000	507,000
Other managed funds	369,000	218,000
<b>Total market value of assets</b>	<b>7,165,000</b>	<b>5,645,000</b>

The actual return on scheme assets was £501,000 (2018 - £314,000).

**NORTH ESSEX MULTI-ACADEMY TRUST**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**24. Pension commitments (continued)**

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

	2019 £	2018 £
Current service cost	(949,000)	(1,107,000)
Past service cost	(176,000)	-
Interest income	160,000	131,000
Interest cost	(313,000)	(302,000)
Administrative expenses	(2,000)	-
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,280,000)</b>	<b>(1,278,000)</b>

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

	2019 £	2018 £
<b>At 1 September</b>	11,655,000	11,598,000
Conversion of academy trusts	1,005,000	-
Current service cost	1,071,000	1,107,000
Interest cost	313,000	302,000
Employee contributions	173,000	157,000
Actuarial losses/(gains)	1,546,000	(1,411,000)
Benefits paid	(189,000)	(98,000)
Past service costs	176,000	-
<b>At 31 August</b>	<b>15,750,000</b>	<b>11,655,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	5,645,000	4,732,000
Conversion of academy trusts	417,000	-
Interest income	160,000	131,000
Actuarial gains	341,000	183,000
Employer contributions	620,000	540,000
Employee contributions	173,000	157,000
Benefits paid	(189,000)	(97,000)
Administration expenses	(2,000)	(1,000)
<b>At 31 August</b>	<b>7,165,000</b>	<b>5,645,000</b>

**NORTH ESSEX MULTI-ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**25. Operating lease commitments**

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	186,067	36,957
Later than 1 year and not later than 5 years	263,039	270,532
Later than 5 years	292,163	599,703
	741,269	907,192
	741,269	907,192

**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**

Owing to the nature of the Trust'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 Trust's financial regulations and normal procurement procedures.

Details of trustees remuneration and benefits are included in note 11. There are no other related party transactions to note.

**28. Agency arrangements**

MEITT - The Trust distributes teacher training funds to trainees as an agent for the partner schools in respect of Initial Teacher Training. As the Trust has no discretion about the use of the funds the income and expenditure relating to MEITT is not recognised in these accounts. However included in cash at bank is £151,270 (2018 - £169,841) relating to the MEITT bank balance which is also included in creditors. In year charges of £229,123 (2018: £210,375) from NEMAT to MEITT relate mainly to staff costs around management and administration. The payments also cover rent, photocopying, catering and other administrative charges incurred during the year and are included within other income from trading activities in these financial statements.

BAP - The Trust manages the income and expenditure. In the accounting period ending 31 August 2019 the Trust received £25,898 (2018 - £21,187) and accounted for expenditure of £25,898 (2018 - £21,187). As the Trust has no discretion about the use of the funds the income and expenditure is not recognised in these accounts.

PLN - The Trust manages the income and expenditure. In the accounting period ending 31 August 2019 the Trust received £10,864 (2018 - £8,800) and accounted for expenditure of £10,864 (2018 - £8,800). As the Trust has no discretion about the use of the funds the income and expenditure is not recognised in these accounts.