

Registered number: 08704162

# **HERTS & ESSEX MULTI ACADEMY TRUST**

**(A Company Limited by Guarantee)**

## **TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**



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**HERTS & ESSEX MULTI ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>Members</b>	R Fielden, Chairman S Brindley S Cox S Dutton S Loveday
<b>Trustees</b>	J Barfoot (resigned 16 July 2019) R Fielden, Chair A Forbes P Harding J Keogh, Vice Chair A Masfield G Savage C Tooze, Headteacher and Accounting Officer S Wilks I Graham G Griffiths (resigned 19 September 2019) P Bull (appointed 5 July 2019) S Sandhu (appointed 1 November 2018, resigned 1 May 2019)
<b>Company registered number</b>	08704162
(Registered in England and Wales)	
<b>Company name</b>	Herts & Essex Multi Academy Trust
<b>Principal and registered office</b>	Warwick Road Bishop's Stortford Hertfordshire CM23 5NJ
<b>Company secretary</b>	D Todd (appointed 1 September 2018 and resigned 29 November 2018) E Nelson (appointed 29 November 2018)
<b>Senior management team</b>	C Tooze, Executive Headteacher E Kirkham, Deputy Headteacher R Vaughan, Deputy Headteacher I Chapman, Senior Assistant Headteacher Z Bradford, Senior Assistant Headteacher J O'Hagan, Senior Assistant Headteacher P Richardson, Senior Assistant Headteacher H Smith, Headteacher of Manorfields Primary School H Wyatt, (appointed November 2018) E Nelson, Finance Director

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Advisers (continued)**

**Independent auditors**      MHA MacIntyre Hudson LLP  
Chartered Accountants  
2 London Wall Place  
Barbican  
London  
EC2Y 5AU

**Bankers**                      NatWest Bank Plc  
7 North Street  
Bishop's Stortford  
Hertfordshire  
CM23 2TJ

**Solicitors**                    Winckworth Sherwood  
Minerva House  
5 Montague Close  
London  
SE1 9BB

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

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**TRUSTEES' REPORT**

The Trustees present their annual report together with the financial statements and auditor's report of 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 schools: Manor Fields Primary School and The Hertfordshire & Essex High School and Science College. Both schools serve a catchment area in and around Bishop's Stortford. Admissions are on a non-selective basis, with reference to the catchment area. Manor Fields is a school for children aged 3-11. It has capacity for 420. Herts & Essex is a school for students aged 11 to 18. It has capacity for 1350. The numbers on roll in January 2019 were: Manor Fields 437 and Herts & Essex 1292.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust (Incorporated on 24 September 2013) is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

Five Trustees act as Members for charitable activities of Herts & Essex Multi Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Herts & Essex Multi Academy Trust. The Trust also has a subsidiary company: Catalyst Teaching School Alliance. A further subsidiary company has joined the trust: The Hertfordshire and Essex High School Sports Centre Limited.

Details of the Trustees and co-opted Governors who served throughout the year are included in the Reference and Administrative Details on page 1.

**Members' Liability**

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

**Trustees Indemnities**

Trustees benefit from Indemnity Insurance purchased at the Academy Trust's expense to cover their liability, which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The limit of this indemnity is £10,000,000, and in the period under review no sums were paid out.

Note: Co-opted governors have the same powers as Trustees other than voting at Trustees meetings and voting for new co-opted governors.

**Principal Activities**

To advance for the public benefit education in the United Kingdom, by establishing, maintaining and developing schools which offer a broad and balanced curriculum (the schools).

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

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**Method of Recruitment and Appointment or Election of Governors**

All future Governors shall be appointed or elected as the case may be under the Articles of Association and Funding Agreement.

In general the Academy Trust will have the following Governors:

- The Members/Trustees may appoint Governors subject to Articles of Association.
- In addition, Subject to Articles, the Academy Trust shall have the following Governors:
  - a) A minimum of 5 Parent Governors
  - b) Up to 3 Staff Governors.
  - c) Any Additional Governors, as deemed necessary by the 'Secretary of State under the relevant clauses in the Articles of Association'.
- The total number of Governors who are employees of the Academy Trust (including the Executive Headteacher) must not exceed one third of the total number of Governors
- The Executive Headteacher shall be treated for all purposes as being an ex officio Governor
- The term of office for any Governor is 4 years, with the exception of:
  - a) This time limit does not apply to the Executive Headteacher
  - b) A Staff Governor will only hold office for so long as they continue to be employed as a teacher or member of support staff
  - c) A Parent Governor will only hold office for as long as they continue to be the parent of a student of the school or college. Once the student has left the school or college, a Parent Governor's appointment terminates at the date their term in office ends

**Policies and Procedures Adopted for the Induction and Training of Governors**

The school has a Governor Recruitment, Induction and Training policy available from the Clerk to the Governors.

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the school and a chance to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by local training providers. All Governors are DBS checked on appointment.

Governors have access to Governor Hub. This area holds a vast amount of information specifically to support, advise and inform Governors in every aspect of their development in this role.

**Organisational Structure**

Trustees and the Local Governing Bodies (LGB) meet twice each term. The Members meet once per term.

The Governors establish an overall framework for the governance of the school and determine membership, terms of reference and procedures of Committees and other groups. A delegation planner is agreed annually which includes all roles and responsibilities for all Governors including the Executive Headteacher. The Executive Headteacher may delegate responsibilities to the Senior Leadership Team as and when required.

The Trustees/LGBs receive reports including policies from Committees for ratification. They monitor the activities of the Committees through the minutes of their meetings. From time to time working groups are established to perform specific tasks over a limited timescale.

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

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**Finance Committee** – this meets at least 4 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, drafting the Annual Budget, compliance with reporting and regulatory requirements and receiving Internal Audit Reports. This committee operates across the Trust. It also takes responsibility for the annual audit and monitors and reviews the finances of the Trust.

**Curriculum Committees** – these meet twice per term to monitor, evaluate and review school policy, practice and performance in relation to curriculum planning, stakeholder communications, target setting and assessment, examinations and academic performance. These committees operate within each school separately.

**Personnel Committee** – this meets twice per term and is responsible for ensuring that the Governing Body fulfils its duties as an employer, appoints staff and determines the staffing structure. It also considers and approves policies regarding all aspects of employment, approves procedures for recruitment, appointment and management of staff and makes recommendations on staffing needs to meet the requirements of the curriculum, within the constraints of the budget set by the Finance Committee. This committee operates across the Trust.

**Premises Committee** - this meets twice per term to monitor and review all aspects of maintenance, improvement and repair to the buildings, grounds and plant. It advises the Governing Body on its responsibilities under Health & Safety legislation, determines a School Security Policy and monitors the use of the premises outside school hours. This committee operates across the Trust and is responsible for ensuring that a Site Improvement Plan is in place, relating to the school premises and associated buildings. It also makes recommendations for future financial planning in relation to the School Site Improvement plan.

**Pay Committee** – this meets twice per year for the purpose of reviewing the pay of all staff. It comprises the Chair of Governors, Chair and Vice Chair of the Personnel Committee, Chair of the Finance Committee and the Executive Headteacher.

**Pay Policy for Key Management Personnel** – the key management personnel of the academy are the Senior Leadership Team and the Trustees. Trustees are not remunerated; staff Trustees are remunerated in their role at the Academy.

Every member of staff has the outcomes of their PAR objectives reviewed and pay recommendations from the Executive Headteacher are scrutinised and subsequently either approved or otherwise. The Committee reviews the Executive Headteacher's pay, during which time she withdraws from the meeting. The Academy follows the Government guidance for Teachers pay and conditions for schools in England and Wales, and staff are paid in line with pay levels for their scale.

**Student Welfare Committees** – these meet twice per term and are responsible for all matters in connection with the pastoral care and support of students. These committees operate separately within each school and they determine the admissions arrangements, including oversight of aptitude tests and open mornings/evenings. They also consider and approve policies regarding all aspects of Behaviour and Discipline, including school exclusions. They also maintain a clear knowledge and understanding of the performance of disadvantaged and potentially vulnerable children.

The Trustees and LGBs consider any proposals for changes to the status or constitution of the Trust and its committee structure; to appoint or remove the Chair and/or Vice Chair; to appoint the Executive Headteacher and Clerk to the Governors; to approve the Development Plans and the budgets.

The Trustees and LGBs have devolved responsibility for day to day management of the schools to the Executive Headteacher and Senior Leadership Team (SLT). The SLT comprises the Executive Headteacher, Deputy Headteachers, Finance Director, IT Strategy Manager and HR Manager.

The school has a leadership structure which consists of the Governors, the Senior Leadership Team and Middle Leaders, including Year Leaders, Subject Leaders, Heads of House and Support Staff: Senior and Middle Leaders. The aim of the leadership structure is to distribute and devolve responsibility as well as to encourage involvement in decision making at all levels.

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

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The SLT leads the school at an executive level, implementing the policies laid down by the Governors and reporting back to them.

The Executive Headteacher is the Accounting Officer.

**Trade Union Facility Time**

The Academy does not have any employees who were relevant trade union officials during the relevant period and has no trade union facility time to report under the provision of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

**Related parties and other connected charities and organisations**

Herts & Essex High School is a lead school in Catalyst Teaching School Alliance (Company registration number 08704888), a subsidiary company of Herts & Essex Multi Academy Trust (HEMAT).

Herts & Essex High School is the lead school in 'Matrix Maths Hub: Essex and Hertfordshire' and also leads the 'Science Learning Partnership' in our area.

Herts & Essex Multi Academy Trust is the parent company of the Hertfordshire and Essex High School Sports Centre (Company registration number 11145421), a subsidiary company of Herts & Essex Multi Academy Trust (HEMAT).

**OBJECTIVES AND ACTIVITIES**

**Herts & Essex**

Herts & Essex has been hugely successful in recent years and many innovative changes have helped raise standards which were already high. A\*-C/9-4 percentages including English and Maths outcomes increased from 70% to 80% to 90+% since 2010. Some years ago, value added scores held at around 1000, with a rise to 1016 in 2012 and 1038 in 2014. Since 2016, the new value added measure, Progress 8, placed Herts & Essex amongst the best in Hertfordshire and in the top 5% of schools nationally for the last three consecutive years.

The school enjoyed two specialisms for several years as well as Sportsmark, Arts Mark, ICT Mark, International School, NACE awards, Stonewall Silver Champion and Careers Mark. It has been nationally accredited as one of the country's first 100 Teaching Schools, as well as leading Matrix Maths Hub and a Science Learning Partnership, all in recognition of high standards in many areas. In 2009, Ofsted summarised Herts & Essex as "an outstanding school with an outstanding Sixth Form" and in 2012, an Ofsted subject inspection confirmed this evaluation summary.

**Manor Fields**

Manor Fields opened in the late 1980s. For many years it was an immensely successful and over-subscribed school for all children aged Nursery to Year 6. Following a period of inconsistent leadership, it received a poor Ofsted inspection outcome in 2016 and was subsequently closed, academised and re-opened in September 2017 within the Herts & Essex Multi Academy Trust.

Under new leadership, Manor Fields retained the trust of its parent body and the local community. Many of the outcomes of the previously weak leadership have caused a difficult legacy for the school. However, a corner has been turned. With external validation, it is self-evaluating as 'good' in all areas, and there is a determined drive to move to 'outstanding' in the next two years.



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

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The main improvement strategies are:

1. Create a positive ethos and high expectations.
2. Work closely with colleagues at Herts & Essex to strengthen leadership and accountability.

**Herts & Essex Multi Academy Trust**

**Motto**

- *Sic itur ad astra*, which translates to *Reach for the Stars*

**Mission statement**

- *Excellence for All*

**Values**

- Creativity
- Compassion
- Respect
- Resilience
- Initiative
- Independence

**Academic Philosophy**

- All through education from birth to university
- The Diamond model: harnesses the benefits of both mixed and single-sex education
- Every child has her/his potential unlocked and aspires to achieve at her/his highest level all the time

**Facilities and Technologies**

- Cutting-edge technology
- State-of-the art Sports facilities
- Modern Sixth Form accommodation
- Fresh, innovative Early Years spaces
- Great food served from great restaurants
- Well-maintained pleasant buildings and environment; a good place in which to work and to learn
- Pleasant mix of modern and historic buildings

**Our Values and how we turn them into reality**

**Creativity**

- Modern teaching and learning approaches
- Research-based evidence-led teaching approaches and systems which ensure best practice
- Arts Award, Arts Mark and Music Mark; excellence in all the creative areas
- Music and drama events of the highest standard and quality
- Exposure to all forms of Arts and creativity are developed in all teaching and learning

**Compassion**

- Assemblies in which horizons are widened and awareness is enabled
- Development of kindness and consideration in everyone
- Voluntary work, charity fundraising, Interact, and giving back are all strong aspects of the culture

**Respect**

- The School Charter - Respect for All – is central to our positive behaviour ethos

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

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- An equalities-driven philosophy underpins all our work
- Deeply embedded good traditions

**Resilience**

- An embedded coaching culture
- Positive mental and physical health and wellbeing
- In Sport, as in all competitive situations, we work hard and compete to be the best we can be

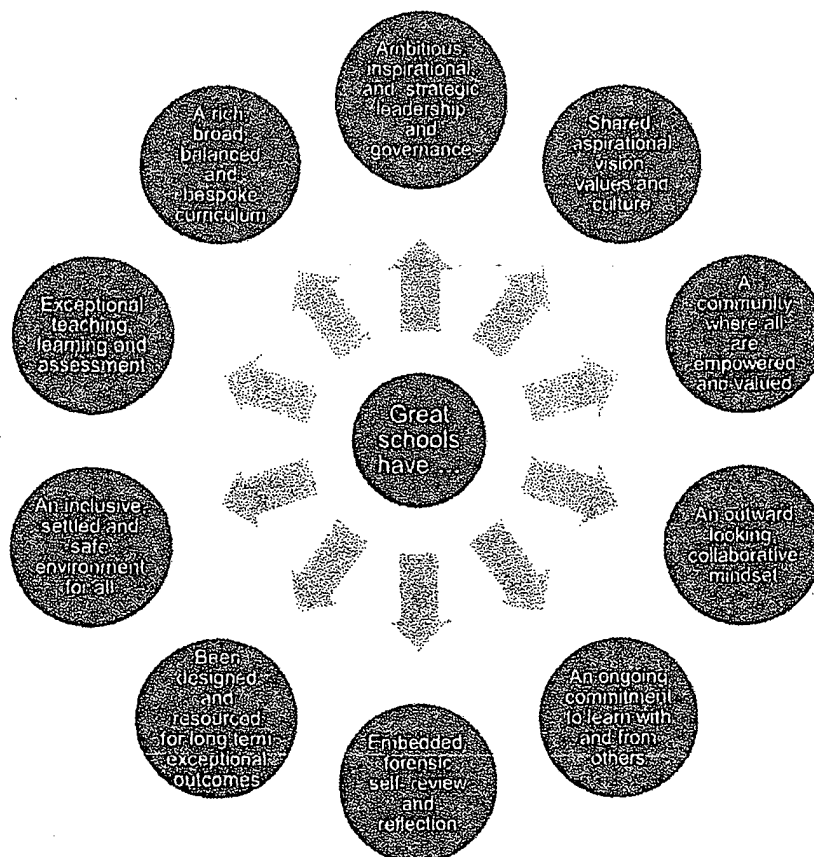
**Initiative**

- Enterprise activities are extensive
- Partnerships with other schools and organisations, such as Eden High School, Uganda, Catalyst Teaching School Alliance and Matrix Maths Hub

**Independence**

- Science, Technology, Maths, Music and Sports competitions such as Olympiads ensure that success at a high level is a reality for our students
- There is high engagement with library-based, online and other study facilities (such as Firefly and the Sixth Form Centre)
- Research is a frequently used tool
- The co-curricular and trips & visits programmes are wide-ranging

*HEMAT schools will all be Great Schools*



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

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**How HEMAT schools will become Great Schools**

**Our Strategic Plan**

**Ambitious, inspirational and strategic leadership and governance**

- Every member of staff to have a place on a career development path
- All new staff to experience training from the start of their time at HEMAT
- Students have accredited leadership opportunities, including sports leadership and SSAT
- The School Council is a force for leadership
- Staff and students are researchers
- 360 degree reviews
- A governance leadership programme is in place

**Shared, aspirational vision, values and culture**

- The values are developed through the house system in all schools
- The Events Calendar links to the values
- The six values permeate all our work

**A community where all are empowered and valued**

- A world class school

**An outward looking, collaborative mind-set**

- Develop the outreach work we carry out to enable all teachers and support staff to participate if they would like to do so

**An ongoing commitment to learn with and from others**

- Research and share best practice between colleagues and across different schools

**Embedded forensic self-review and reflection**

- Share the best practice across all schools

**Designed and resourced for long-term exceptional outcomes**

- Fresh, innovative Early Years spaces at MF
- Great food served from great restaurants
- Strategic Finance Director in post
- High-quality HR service, which ties in with recruitment and retention strategies for our staff

**An inclusive, settled and safe environment for all**

- Improve our H&S through new Fire Alarm systems at H&E
- New roofs on the old H&E buildings (no leaks)
- Embed the School Charter
- Hold Public Exams in the Sports Centre (silence and space guaranteed)
- Create more movement space and social areas for our pupils and students, such as on the old tennis/netball courts at Warwick Road and the outside EYFS area

**Exceptional teaching, learning and assessment**

- Developmental, frequent observation and feedback by students and staff, including peer observations and feedback
- Access to an academic library for our staff

**A rich, broad, balanced and bespoke curriculum**

- A shared and clear vision for our all-through curriculum
- Diversify our co-curricular offer further, to include Rowing and Alpine Clubs

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

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**Annual Development Plans**

Key priorities for the year were contained in our Annual Development Plan (ADP).

The main objectives for the Annual Development Plan for 2018-2019 were as follows:

1. Wellbeing for students and staff: creating a mentally healthy community
  - To value the individual as much as the outcome
  - To create a cohesive and collective understanding and confidence regarding mental health and wellbeing within the whole school community
  - To maintain a culture of research and development within the school which will develop innovative practice to support improved mental health and wellbeing
2. Teaching & Learning: Moving from outstanding to exceptional in the Sixth Form
  - Confident, healthy, independent learners who flourish in diverse areas, whether this be in academia, sport, music, leadership, or other co-curricular activities
  - All Year 6 pupils to be 'secondary ready' and KS2 SATS to show positive value-added scores in all areas.
  - Students move on from Year 13 to succeed in their pathway of choice
  - Spirit of excellence and ambition enables high prior-attaining students to achieve targeted A/A\* grades
3. Herts & Essex Sports Centre: Developing a thriving community and school Sports Centre
  - Fully utilise the Sports Centre for curricular PE, co-curricular activities and community use
  - Raise participation
  - Support students' and staff's positive wellbeing
  - Operate at a profit
  - Develop existing and new partnerships with a broad range of providers
  - Attract participants and recruit a skilled workforce
4. Catalyst Teaching School Alliance, Science Learning Partnership and Matrix Maths Hub: Widening our sphere of influence
  - Engage and extend our reach across the different regions associated with Catalyst, Science Learning Partnership (SLP) and Matrix Maths Hub (Matrix)
  - Operate at a profit.
5. Development of Herts & Essex Multi Academy Trust (HEMAT): Monitoring the move from vision to reality
  - Create a sustainable Multi Academy Trust (MAT), which has the capacity to share its mission, motto and values more widely. This requires:
    - Strong and effective leadership
    - The realisation of a powerful vision for future expansion and diversification
    - Recruitment and retention of excellent staff
    - Development of improved financial capacity

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

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The main objectives for the Annual Development Plan for 2019-2020 are as follows:

**Head, Heart, Hand:**

**Developing and Implementing an all-through Curriculum Year 1 to Year 11**

A seamless and ambitious curriculum which:

- ◆ sequences knowledge and skills from Year 1 through to GCSE level study/examinations
- ◆ embeds key concepts in pupils'/students' long term memory so pupils'/students' can apply them fluently
- ◆ refines assessment procedures to ensure they inform planning and teaching, whilst meeting students' individual needs
- ◆ gives all pupils/students the knowledge and cultural capital needed to succeed in life in modern Britain

**Head, Heart, Hand:**

**Developing and Implementing an all-through Behaviour & Wellbeing Model**

Consistent approaches across both schools in relation to:

- ◆ embedding positive policy and procedures relating to Behaviour for Learning and Anti-Bullying
- ◆ raising the aspirations and outcomes for all students including those who are disadvantaged
- ◆ ensuring positive mental health and wellbeing for all pupils' and students'
- ◆ gender identity and embracing diversity
- ◆ promoting the inseparable link between teaching, learning and behaviour
- ◆ an improvement in attendance rates between 0.5 - 1% in both schools

**Innovate and Integrate Outreach Work**

To engage and extend our reach across our regions. We will:

- ◆ extend our SLP by incorporating the University of Hertfordshire's SLP
- ◆ maintain and enhance the reputation of Herts & Essex SLP, Catalyst & Matrix Maths Hub
- ◆ establish a new Maths Hub in Essex
- ◆ extend Matrix Maths Hub in Hertfordshire
- ◆ strengthen the Catalyst partnership with other TSAs (CTSN, North Herts TSA and West Essex TSA)
- ◆ collaborate closely with BSET
- ◆ develop links with Envision Primary Partnership

**Herts & Essex Sports Centre: Establishing a thriving community and school Sports Centre**

- ◆ Fully utilise the Sports Centre for curricular PE, co-curricular activities and community use
- ◆ Raise participation of students, staff and the public in sport
- ◆ Support students' and staff's positive wellbeing
- ◆ Operate at a level in line with the income and expenditure plan
- ◆ Develop existing and new partnerships with a broad range of providers to utilise the facility
- ◆ Retain a skilled workforce and develop their skills where needed

**Improve Progress In Writing In EYFS and Years 1 to 6**

- ◆ Ensure the teaching of writing provides opportunities for pupils to write at greater depth and ensure teachers' expectations of presentation and spelling are as high in foundation subjects as in core ones
  - ◆ Ensure consistency of marking and feedback practice within each key stage
  - ◆ Ensure that written tasks are suitably scaffolded and differentiated to meet pupils' next steps
  - ◆ Ensure that provision for disadvantaged pupils is additional to that of others
  - ◆ Ensure the intended learning (evident through the recorded learning objective) is closely enough aligned to the task set to achieve it
  - ◆ Ensure that worksheets, when used in foundation subjects, do not limit pupils' ability to express their understanding and to respond in greater depth.
  - ◆ Address the apparent gender difference for Reception pupils achieving GLD
  - ◆ Intervention is more precise and targeted to children's needs in Reception than in Nursery
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Develop enabling Learning Environments on the Manor Fields site**

- ◆ Extend active and outdoor learning opportunities: EYFS 'farm'
- ◆ Achieve an Eco Award
- ◆ Ensure every learning environment (both internally and within the wider school grounds) is welcoming, vibrant and fit for purpose
- ◆ Provide a designated, quiet, interruption free area to for staff to undertake PPA
- ◆ Ensure playtimes are safe with activity both promoted and led

**Develop a Diverse and Inclusive Post-16 Curriculum (PRO)**

- ◆ Students have access to a broad, balanced and rich curriculum that gives all HEMAT students the opportunity to pursue their interests and ambitions and achieve success
- ◆ Students are able to choose from a range of pathways as they progress from Year 11 into their post 16 education that are tailored to their prior attainment and future aspirations
- ◆ Students are well prepared for life after Sixth Form and progress to their university or employment opportunity of choice

**Public Benefit**

The Governors 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 (Pb1) in exercising their powers or duties. They have referred to this guidance when reviewing the School's aims and objectives and in planning its future activities.

The schools aim to advance for the public benefit, education in Bishop's Stortford and the surrounding area. This is evident in results ends of Key Stages, 2 and at GCSE and A Level, and the vast majority of students progressing to Higher Education from Year 13.

Beyond this, the schools aim to unlock the potential of every child and young person in their care, providing exceptional opportunities for personal as well as academic success. With this in mind the schools seek to provide for the cultural, physical, spiritual as well as academic development of students. The wide range of co-curricular activities, educational trips and visits offered to, and taken up, contribute to outstanding schools in which young people thrive.

We also support other schools through the delivery of Teaching School activities, Maths Hub and Science Learning Partnership work and knowledge, all of which ultimately benefit the wider educational community.

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

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**STRATEGIC REPORT**

**Achievements and Performance**

The school celebrated another highly successful year of academic results. The following tables identify the most significant outcomes of the last few years:

**GCSE Results 2019**

**Basics Measure – Standard Pass - Percentage of students with 4+ in English and Maths**

2019	2018	2017	2016
89%	92%	87.1%	92%

**Basics Measure – Strong Pass - Percentage of students with 5+ in English and Maths**

2019	2018	2017	2016
63%	69.2%	66.3%	92%

**Progress 8 Score:**

2019	2018	2017	2016
0.61	0.76	0.69	0.70

**Attainment 8 Score:**

2019	2018	2017	2016
59.61	61.48	61.09	63.4

**Percentage of cohort entered for the E-Bacc:**

2019	2018	2017
75.7%	74.8%	68.1%
(140 students)	(119 students)	(111 students)

**E-Bacc APS:**

2019	2018
5.55	5.76

**Percentage of students achieving E-Bacc:**

2019	2018	2017	2016
55.7% (standard - 103 students)	67.3% (standard - 107 students)	56.4% (standard - 92 students)	59% (95 students)
37.3% (strong - 69 students)	50.3% (strong - 80 students)	48.5% (strong - 79 students)	Target 63%
Target 78%	Target 78%	Target 74%	

**Percentage of students eligible for E-Bacc who achieved it:**

2019	2018	2017	2016
74% (standard)	90% (standard)	83% (standard)	94%
49% (strong)	67% (strong)	71% (strong)	

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

**Percentage of students achieving 5+ 9-4 grades including English and Maths:**

2019	2018	2017	2016
87.6% (standard) 60.5% (strong)	91% (standard) 69% (strong)	86.5% (standard) 66.3% (strong)	92% (148 students Target 94%)
(112 students) Target 98%	(145 students) Target 98%	(141 students) Target 97%	

**Percentage of students achieving all 9-7 grades:**

2019	2018	2017	2016
8.7% (16 students)	10.1% (16 students)	11.7% (19 students)	17.4% (28 students)

**Percentage of students achieving all 9-6 grades:**

2019	2018	2017	2016
20.6% (38 students)	30.2% (48 students)	28.83% (47 students)	37.27% (60 students)

**A Level:**

**Total percentage of A\* grades:**

2019	2018	2017
12%	12%	8.3%
National 7.8%	National 8.0%	National 8.3%

**Total percentage of A\*- A grades:**

2019	2018	2017
40% (Target 45%)	35.4% (Target 42.9%)	34.9% (Target 40.0%)
National 25.5%	National 26.4%	National 26.3%

**Total percentage of A\*-B grades:**

2019	2018	2017
71% (Target 81%)	69.4% (Target 81.8%)	67.1% (Target 79.1%)
National 51.6%	National 53.0%	National 53.1%

**Total percentage of U grades:**

2019	2018	2017
0.3%	0.3%	1%
National 2.4%	National 2.4%	National 2.1%

**Students achieving all A\*- A grades:**

**Students achieving all A\*- A grades:**

2019	2018	2017	2016	2015	2014
16.10%	15.00%	13.80%	10.50%	15.80%	14.20%



**HERTS & ESSEX MULTI ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Students achieving all A\*-B grades:**

2019	2018	2017	2016	2015	2014
45.90%	45.60%	43.70%	40.10%	45.30%	46.20%

**Manor Fields**

EYFSP 3 year trend	2017 GLD			2018 GLD			2019 GLD		
	Sch	Herts	Nat	Sch	Herts	Nat	Sch	Herts	Nat*
% attaining good level of development	77%	72%	71%	79%	73%	72%	83%	73%	72%

Phonics Screening Check	2017			2018			2019		
	Sch	Herts	Nat	Sch	Herts	Nat	Sch	Herts	Nat*
% Y1 reaching expected standard	97%	83%	81%	85%	84.3%	82.5%	87%	83.5%	82.5%

KS1 SATs % reaching age related expectations	2017			2018			2019 expected standard			2019 greater depth		
	Sch	Herts	Nat	Sch	Herts	Nat	Sch Exp	Hrts	Nat	Sch GD	Hrts GD	Nat GD
R	80%	80%	79%	85%	79%	76%	75%	77%	75%	38%	31%	25%
Wr	60%	71%	72%	76%	71%	68%	62%	71%	69%	27%	19%	15%
M	82%	77%	79%	85%	77%	75%	67%	77%	76%	30%	26%	22%
Sc	98%	86%	83%	93%	86%	83%	85%	84%	82%			

KS2 SATs % reaching age related expectations	2017			2018			2019		
	Sch	Herts	Nat	Sch	Herts	Nat	Sch Exp	Sch GD	FFT national
Reading	78%	76%	77%	85%	79%	75%	78%	25%	73%
Writing	88%	79%	81%	86%	79%	78%	87%	20%	79%
Mathematics	90%	77%	80%	86%	77%	76%	92%	35%	79%
GPS (sample)	87%	79%	77%	90%	80%	78%	92%	50%	78%
RWM	75%	65%	67%	73%	66%	64%	73%	13%	65%

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

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**Key Financial Performance Indicators**

During the third period of Academy status, the Members/Trustees/Governors carried out a review of the key financial controls, key performance indicators (KPI) and risk control processes that would be applied to future reporting and business monitoring and performance.

The KPIs are designed to analyse not only financial and commercial risk but also staffing ratio(s), academic performance and risk ratios.

Core funding (GAG) is based on student numbers, this is also a key performance indicator. Student numbers for 2019 were 1292 for Herts & Essex and 437 for Manor Fields at census date. It is anticipated that this number will continue at this level (or slightly higher at sixth form level) for the foreseeable future. Applications for the main school (Years 7-11) were very positive continuing with the trend of significant over-subscription with over 550 students applying for places at Herts & Essex relating to the 180 Year 7 places available in 2016. Further pressure on secondary school numbers has been indicated in the Local Authority Strategic Plan due to increased housing stock and the continued expansion of Bishop's Stortford. The Governors will be monitoring these developments over the next few years in terms of strategic planning for places and will be liaising with the Local Authority and other stakeholders in this respect.

**Going Concern**

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

Whilst uncertainties clearly exist in the context of Government funding, the Trustees have been able to gain confidence in the school's basis as a going-concern. This is based on the continued over-subscribed status of the school into Year 7 each year, which indicates that the school continues to be very popular. As a response to the school's popularity it expanded from 5FE to 6FE from September 2016. In addition to this the sixth form continues to expand. A 6FE school with a large sixth form is financially more secure and efficient than a 5FE school with a small sixth form.

The SLT and the Trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future.

**FINANCIAL REVIEW**

The vast majority of the school's income is obtained from the DfE via the Education & Skills Funding Agency (ESFA) in the form of recurrent grants (Revenue & Capital) the use of which is restricted to particular educational purposes. The grants received from the DfE during the year ended 31 August 2019 amounting to £7,668,259 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The school also received grants for Capital Additions and Fixed Assets from the ESFA during the year. This amounted to £2,142,809. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the academy's accounting policies.

During the 12 months ended 31 August 2019, the net expenditure for the year amounted to a deficit of £761,923 excluding capital income received by the Trust. This demonstrated robust budgetary management with a view to setting funds aside for future priorities and capital projects.

At 31 August 2019 the net book value of tangible fixed assets was £27,254,980 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 students of the school.

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The land, buildings and other assets were transferred to the school upon conversion. Herts & Essex land was valued in July 2014 at £2,600,000 and buildings were valued in July 2014 at £12,020,000. Other assets have been included in the financial statements as a best estimate, taking into account purchase price and remaining useful economic life. Manor Fields land was valued in 2017 at conversion at £4,313,000 and Manor Fields buildings at £1,914,541.

The school continues to account for the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the Gifts and Hospitality Policy, Financial Procedures Policy, Investment Policy, Reserves Policy and the Whistle Blowing Policy. The Financial Procedures Policy sets out the framework for financial management, including financial responsibilities of the Trustees, Executive Headteacher (as Accounting Officer), the Finance Director, Managers, budget holders and other affected staff, as well as delegated authority for expenditure and procurement protocols.

Governors have adopted an internal audit Policy and Risk Management System as part of the review of internal Audit controls.

The Governors have agreed a strategic approach to robust financial management and budgetary control whilst continuing to invest in human and physical resources to sustain the school'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 is being achieved by maintaining a policy of protecting working capital which is referred to in the Statement of Financial Activities. Reserves in excess of working capital reserve will be set aside in the Fixed Asset Fund (Restricted and Unrestricted funds) to contribute towards the delivery of the Annual Development Plan agreed by Trustees annually.

This strategic and annual development plans are in line with and reinforce the objectives in the school's Funding Agreement.

#### **Reserves Policy**

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

The Governors review the reserve levels of the school 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 for different layers of reserves. The Governors take into consideration the future plans of the school, the uncertainty over future income streams and other key risks identified during the risk review.

The Governors have determined that the appropriate minimum level of cash reserves at year end should be one twelfth of the Trust's annual charitable expenditure.

The substantiation and reasoning behind this approach is to provide sufficient working capital to cover delays between spending and receipt of grants, to provide a contingency to deal with unexpected emergencies such as urgent maintenance, contingency to cope with turbulence in funding mechanisms dictated by others and to protect the school from other unexpected commercial liability.

The school's total reserves at the Balance Sheet dated 31 August 2019 were £23,893,643.

Free reserves (working capital reserves) will be allocated to school improvement priorities through the School Development Planning process. This will include allocation to further capital project commitment. Other considerations for use of the general reserve are reviewed annually.

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trust's pension reserve has a liability of £2,991,000.

**Investment Policy**

The Academy 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 school aims to invest surplus cash funds to achieve the best financial returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

**Purposes:**

- to ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements of the school
- to ensure there is no risk of loss in the capital value of any cash funds invested
- to protect the capital value of any invested funds against inflation
- to maximise returns on invested funds for the benefit of the school's charitable aims and objectives.

All funds surplus to immediate requirements are invested to maximise income. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit.

Day to day management of the surplus funds is delegated to the Executive Headteacher within strict guidelines approved by the Governing Body.

**Principal Risks and Uncertainties**

The principal risks and uncertainties facing the school are as follows:

**Financial** – the trust has considerable reliance on continued Government funding through the ESFA. In the last year the majority of the school's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that funding levels will be maintained in real terms in the short/medium term (3-5 years). Flat growth in funding against a background of rising cost pressure will increase the need for prudent budgeting and contingency planning.

**Physical Environment** – ongoing concerns over funding levels in the short/medium term also translate to 'capital funding' availability from Government. The school currently has a Premises Committee which actively pursues capital funding and keeps fully abreast of these concerns. However, the general condition of the buildings in both schools is a problem requiring ongoing attention and consistent levels of capital funding. If the necessary capital funds are not forthcoming the environment will suffer relatively quickly due to the design/age of the buildings and the use that they are receiving. This area will require careful monitoring to ensure that the learning/working environment is sufficient, suitable and in acceptable condition.

**Reputational** – the continuing success of both schools is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success, progress and achievement are closely monitored and reviewed. A strong marketing strategy is also in place.

**Safeguarding and child protection** – the Governors 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, health & safety and risk assessment of these critical areas of operation. This continues to be a very high priority.

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

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**Staffing** – the success of the trust is reliant on the quality of its staff and the Governors 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.

**Fraud and mismanagement of funds** – the trust has appointed MHA MacIntyre Hudson to undertake 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 the development of their skills in this area of risk.

**Risk Management**

The Governors have assessed the major risks to which the schools are exposed, in particular those relating to inadequate facilities affecting the provision of effective education, effective recruitment and retention systems to ensure that the capability and capacity exists to improve performance and also the provision of effective health & safety for all students, staff and members of the public. Due consideration is also given to the need for consistent high levels of internal financial management and control.

The Governors have implemented a risk management system with the support of the trust's professional advisors MHA MacIntyre Hudson to assess the commercial and other risks that the school faces. Where significant risk potentially remains, then adequate liability insurance cover is in place to close these gaps.

The schools have an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The schools have undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection/safeguarding policies and procedures. In addition a review of all financial controls is undertaken on a regular basis.

The trust has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the trust faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all Governors' and Finance Committee meetings. The Governors also review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However, as the Governors consider that the school is able to meet its known annual deficit contribution commitments for the foreseeable future, the risk from this liability is minimised and is manageable.

Investment risk is managed with deposit accounts under the strict control of the trust's Investment Policy conditions.

The trust has continued to strengthen its risk management process throughout the period by improving the process and enhancing Governor and staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

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

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**Fundraising**

The Academy does not use any professional fundraisers. The Trustees monitor all fundraising. Funds raised for other charities during the course of the year are passed to the relevant charity.

**PLANS FOR FUTURE PERIODS**

Our schools will keep developing over the coming years in order to keep up with the modern world, so that they can continue to offer satisfaction to all those who teach and learn and so achieve our high standards of excellence and performance.

In general terms, HEMAT schools will be dynamic, committed to raising the achievement of each individual in the application of skills, knowledge, teamwork and in the development of confidence and self-belief.

The schools will be specialised, differentiated and self-evaluative towards improvement. They will be permeable to the community, accessible to business and the world of working adults and it will engage in a wide range of beneficial partnerships.

HEMAT schools will be committed to serve the community of Bishop's Stortford and the surrounding areas of Hertfordshire and Essex. But we have the responsibility to prepare young people for futures which are complex and information rich. The challenge, therefore, is to move the school towards meeting the needs of a modern society without altering the values and ethos which are successful today.

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

The school and its Governors do not act as the Custodian Trustees for any other charity.

**AUDITOR**

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

**Disclosure of Information to Auditor**

In so far as the Trustees are aware:

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

The Trustees' Report incorporating a Strategic Report, was approved by the trustees, as the company directors and signed on the board's behalf by

  
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R Fielden  
Chair of Governors

Date: 17/12/2019

**HERTS & ESSEX MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**GOVERNANCE**

**SCOPE OF RESPONSIBILITY**

As Governors we acknowledge we have overall responsibility for ensuring that HEMAT 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 Governing Body 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 Herts & Essex and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The Governing Body is self-evaluative. It ensures broad and balanced representation of staff, parents and interested community members. It works to high levels of professionalism and has high expectations of its members.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Governing Body has formally met 6 times during the year 1 September 2018 to 31 August 2019. Attendance during the year at meetings of the governing body was as follows:

**Herts & Essex Multi Academy Trust - Members Meetings**  
**2018/19 Attendance**

Y = Attended, N = Apologies Accepted

Governor	Governor Type	16 Nov 2018 Members Meeting	19 Dec 2018 HEMAT AGM	08 Mar 2019 Members Meeting	05 Jul 2019 Members Meeting	TOTAL ATTENDANCE	OUT OF TOTAL POSSIBLE MEETINGS	% ATTENDANCE
Dr Sue Brindley	Member	N	N	N	N	0	4	0
Mr Steve Cox	Member	Y	N	Y	Y	3	4	75
Mrs Susannah Dutton	Member	Y	Y	N	Y	3	4	75
Mr Robert Fielden	Member & Trustee	Y	Y	Y	Y	4	4	100
Simon Loveday	Member	Y	N	Y	Y	3	4	75
Mrs Cathy Tooze	by Invitation	Y	Y	Y	Y	4	4	100

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

HEMAT Trustees & H&E LGB Meetings  
2018/19 Attendance

Y = Attended, N = Apologies Accepted or No Apologies Sent

Attendant	Govemnor Type	Start	End	Govemnor	Govemnor Type	Start	End	Govemnor
Mrs Laura Anthony	Govemnor	19 Dec 2018	23 Oct 2018	Mrs Laura Anthony	Govemnor	19 Dec 2018	23 Oct 2018	Mrs Laura Anthony
Mr John Barfoot	Trustee			Mr John Barfoot	Trustee			Mr John Barfoot
Mrs Claire Boylan	Appointed			Mrs Claire Boylan	Appointed			Mrs Claire Boylan
Mrs Pippa Bull	Appointed			Mrs Pippa Bull	Appointed			Mrs Pippa Bull
Mrs Zae Burnet	Appointed			Mrs Zae Burnet	Appointed			Mrs Zae Burnet
Mr Robert Fielden	Member & Trustee			Mr Robert Fielden	Member & Trustee			Mr Robert Fielden
Mrs Ann Forbes	Trustee			Mrs Ann Forbes	Trustee			Mrs Ann Forbes
Mrs Irene Graham	Trustee			Mrs Irene Graham	Trustee			Mrs Irene Graham
Mrs Yasmin Gregory	Appointed			Mrs Yasmin Gregory	Appointed			Mrs Yasmin Gregory
Mr Gary Griffiths	Trustee			Mr Gary Griffiths	Trustee			Mr Gary Griffiths
Mrs Paula Harding	Trustee			Mrs Paula Harding	Trustee			Mrs Paula Harding
Mrs Judith Keogh	Trustee			Mrs Judith Keogh	Trustee			Mrs Judith Keogh
Mrs Collette Korris	Staff			Mrs Collette Korris	Staff			Mrs Collette Korris
Mrs Emma Kitchum	Appointed			Mrs Emma Kitchum	Appointed			Mrs Emma Kitchum
Joanna Massingham-Lamprell	Parent			Joanna Massingham-Lamprell	Parent			Joanna Massingham-Lamprell
Dr Su Sandhu	Trustee			Dr Su Sandhu	Trustee			Dr Su Sandhu
Mr Graham Savage	Trustee			Mr Graham Savage	Trustee			Mr Graham Savage
Mrs Helen Smith	Ex-Officio			Mrs Helen Smith	Ex-Officio			Mrs Helen Smith
Mrs Cathy Toze	Ex-Officio			Mrs Cathy Toze	Ex-Officio			Mrs Cathy Toze
Mr Richard Vaughan	Appointed			Mr Richard Vaughan	Appointed			Mr Richard Vaughan
Mrs Samantha Wiles	Trustee			Mrs Samantha Wiles	Trustee			Mrs Samantha Wiles



# HERTS & ESSEX MULTI ACADEMY TRUST (A Company Limited by Guarantee)

## GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

### HEMAT and Herts & Essex Committee Meetings 2018/19 Attendance

Y = Attendance; A = Appearances; N = Not Present

Governor	Governor Type	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	43/44	44/45	45/46	46/47	47/48	48/49	49/50	50/51	51/52	52/53	53/54	54/55	55/56	56/57	57/58	58/59	59/60	60/61	61/62	62/63	63/64	64/65	65/66	66/67	67/68	68/69	69/70	70/71	71/72	72/73	73/74	74/75	75/76	76/77	77/78	78/79	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/100	100/101	101/102	102/103	103/104	104/105	105/106	106/107	107/108	108/109	109/110	110/111	111/112	112/113	113/114	114/115	115/116	116/117	117/118	118/119	119/120	120/121	121/122	122/123	123/124	124/125	125/126	126/127	127/128	128/129	129/130	130/131	131/132	132/133	133/134	134/135	135/136	136/137	137/138	138/139	139/140	140/141	141/142	142/143	143/144	144/145	145/146	146/147	147/148	148/149	149/150	150/151	151/152	152/153	153/154	154/155	155/156	156/157	157/158	158/159	159/160	160/161	161/162	162/163	163/164	164/165	165/166	166/167	167/168	168/169	169/170	170/171	171/172	172/173	173/174	174/175	175/176	176/177	177/178	178/179	179/180	180/181	181/182	182/183	183/184	184/185	185/186	186/187	187/188	188/189	189/190	190/191	191/192	192/193	193/194	194/195	195/196	196/197	197/198	198/199	199/200	200/201	201/202	202/203	203/204	204/205	205/206	206/207	207/208	208/209	209/210	210/211	211/212	212/213	213/214	214/215	215/216	216/217	217/218	218/219	219/220	220/221	221/222	222/223	223/224	224/225	225/226	226/227	227/228	228/229	229/230	230/231	231/232	232/233	233/234	234/235	235/236	236/237	237/238	238/239	239/240	240/241	241/242	242/243	243/244	244/245	245/246	246/247	247/248	248/249	249/250	250/251	251/252	252/253	253/254	254/255	255/256	256/257	257/258	258/259	259/260	260/261	261/262	262/263	263/264	264/265	265/266	266/267	267/268	268/269	269/270	270/271	271/272	272/273	273/274	274/275	275/276	276/277	277/278	278/279	279/280	280/281	281/282	282/283	283/284	284/285	285/286	286/287	287/288	288/289	289/290	290/291	291/292	292/293	293/294	294/295	295/296	296/297	297/298	298/299	299/300	300/301	301/302	302/303	303/304	304/305	305/306	306/307	307/308	308/309	309/310	310/311	311/312	312/313	313/314	314/315	315/316	316/317	317/318	318/319	319/320	320/321	321/322	322/323	323/324	324/325	325/326	326/327	327/328	328/329	329/330	330/331	331/332	332/333	333/334	334/335	335/336	336/337	337/338	338/339	339/340	340/341	341/342	342/343	343/344	344/345	345/346	346/347	347/348	348/349	349/350	350/351	351/352	352/353	353/354	354/355	355/356	356/357	357/358	358/359	359/360	360/361	361/362	362/363	363/364	364/365	365/366	366/367	367/368	368/369	369/370	370/371	371/372	372/373	373/374	374/375	375/376	376/377	377/378	378/379	379/380	380/381	381/382	382/383	383/384	384/385	385/386	386/387	387/388	388/389	389/390	390/391	391/392	392/393	393/394	394/395	395/396	396/397	397/398	398/399	399/400	400/401	401/402	402/403	403/404	404/405	405/406	406/407	407/408	408/409	409/410	410/411	411/412	412/413	413/414	414/415	415/416	416/417	417/418	418/419	419/420	420/421	421/422	422/423	423/424	424/425	425/426	426/427	427/428	428/429	429/430	430/431	431/432	432/433	433/434	434/435	435/436	436/437	437/438	438/439	439/440	440/441	441/442	442/443	443/444	444/445	445/446	446/447	447/448	448/449	449/450	450/451	451/452	452/453	453/454	454/455	455/456	456/457	457/458	458/459	459/460	460/461	461/462	462/463	463/464	464/465	465/466	466/467	467/468	468/469	469/470	470/471	471/472	472/473	473/474	474/475	475/476	476/477	477/478	478/479	479/480	480/481	481/482	482/483	483/484	484/485	485/486	486/487	487/488	488/489	489/490	490/491	491/492	492/493	493/494	494/495	495/496	496/497	497/498	498/499	499/500	500/501	501/502	502/503	503/504	504/505	505/506	506/507	507/508	508/509	509/510	510/511	511/512	512/513	513/514	514/515	515/516	516/517	517/518	518/519	519/520	520/521	521/522	522/523	523/524	524/525	525/526	526/527	527/528	528/529	529/530	530/531	531/532	532/533	533/534	534/535	535/536	536/537	537/538	538/539	539/540	540/541	541/542	542/543	543/544	544/545	545/546	546/547	547/548	548/549	549/550	550/551	551/552	552/553	553/554	554/555	555/556	556/557	557/558	558/559	559/560	560/561	561/562	562/563	563/564	564/565	565/566	566/567	567/568	568/569	569/570	570/571	571/572	572/573	573/574	574/575	575/576	576/577	577/578	578/579	579/580	580/581	581/582	582/583	583/584	584/585	585/586	586/587	587/588	588/589	589/590	590/591	591/592	592/593	593/594	594/595	595/596	596/597	597/598	598/599	599/600	600/601	601/602	602/603	603/604	604/605	605/606	606/607	607/608	608/609	609/610	610/611	611/612	612/613	613/614	614/615	615/616	616/617	617/618	618/619	619/620	620/621	621/622	622/623	623/624	624/625	625/626	626/627	627/628	628/629	629/630	630/631	631/632	632/633	633/634	634/635	635/636	636/637	637/638	638/639	639/640	640/641	641/642	642/643	643/644	644/645	645/646	646/647	647/648	648/649	649/650	650/651	651/652	652/653	653/654	654/655	655/656	656/657	657/658	658/659	659/660	660/661	661/662	662/663	663/664	664/665	665/666	666/667	667/668	668/669	669/670	670/671	671/672	672/673	673/674	674/675	675/676	676/677	677/678	678/679	679/680	680/681	681/682	682/683	683/684	684/685	685/686	686/687	687/688	688/689	689/690	690/691	691/692	692/693	693/694	694/695	695/696	696/697	697/698	698/699	699/700	700/701	701/702	702/703	703/704	704/705	705/706	706/707	707/708	708/709	709/710	710/711	711/712	712/713	713/714	714/715	715/716	716/717	717/718	718/719	719/720	720/721	721/722	722/723	723/724	724/725	725/726	726/727	727/728	728/729	729/730	730/731	731/732	732/733	733/734	734/735	735/736	736/737	737/738	738/739	739/740	740/741	741/742	742/743	743/744	744/745	745/746	746/747	747/748	748/749	749/750	750/751	751/752	752/753	753/754	754/755	755/756	756/757	757/758	758/759	759/760	760/761	761/762	762/763	763/764	764/765	765/766	766/767	767/768	768/769	769/770	770/771	771/772	772/773	773/774	774/775	775/776	776/777	777/778	778/779	779/780	780/781	781/782	782/783	783/784	784/785	785/786	786/787	787/788	788/789	789/790	790/791	791/792	792/793	793/794	794/795	795/796	796/797	797/798	798/799	799/800	800/801	801/802	802/803	803/804	804/805	805/806	806/807	807/808	808/809	809/810	810/811	811/812	812/813	813/814	814/815	815/816	816/817	817/818	818/819	819/820	820/821	821/822	822/823	823/824	824/825	825/826	826/827	827/828	828/829	829/830	830/831	831/832	832/833	833/834	834/835	835/836	836/837	837/838	838/839	839/840	840/841	841/842	842/843	843/844	844/845	845/846	846/847	847/848	848/849	849/850	850/851	851/852	852/853	853/854	854/855	855/856	856/857	857/858	858/859	859/860	860/861	861/862	862/863	863/864	864/865	865/866	866/867	867/868	868/869	869/870	870/871	871/872	872/873	873/874	874/875	875/876	876/877	877/878	878/879	879/880	880/881	881/882	882/883	883/884	884/885	885/886	886/887	887/888	888/889	889/890	890/891	891/892	892/893	893/894	894/895	895/896	896/897	897/898	898/899	899/900	900/901	901/902	902/903	903/904	904/905	905/906	906/907	907/908	908/909	909/910	910/911	911/912	912/913	913/914	914/915	915/916	916/917	917/918	918/919	919/920	920/921	921/922	922/923	923/924	924/925	925/926	926/927	927/928	928/929	929/930	930/931	931/932	932/933	933/934	934/935	935/936	936/937	937/938	938/939	939/940	940/941	941/942	942/943	943/944	944/945	945/946	946/947	947/948	948/949	949/950	950/951	951/952	952/953	953/954	954/955	955/956	956/957	957/958	958/959	959/960	960/961	961/962	962/963	963/964	964/965	965/966	966/967	967/968	968/969	969/970	970/971	971/972	972/973	973/974	974/975	975/976	976/977	977/978	978/979	979/980	980/981	981/982	982/983	983/984	984/985	985/986	986/987	987/988	988/989	989/990	990/991	991/992	992/993	993/994	994/995	995/996	996/997	997/998	998/999	999/1000	1000/1001	1001/1002	1002/1003	1003/1004	1004/1005	1005/1006	1006/1007	1007/1008	1008/1009	1009/1010	1010/1011	1011/1012	1012/1013	1013/1014	1014/1015	1015/1016	1016/1017	1017/1018	1018/1019	1019/1020	1020/1021	1021/1022	1022/1023	1023/1024	1024/1025	1025/1026	1026/1027	1027/1028	1028/1029	1029/1030	1030/1031	1031/1032	1032/1033	1033/1034
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**HERTS & ESSEX MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**REVIEW OF VALUE FOR MONEY**

As accounting officer, the Executive Headteacher has responsibility for ensuring that the academy 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 Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

Ensuring that major purchases made by the academy had been subject to the correct quotation/tendering procedure. Examples are as follows;

Gym conversion - tendered  
Sports Centre build – tendered  
Catering contract - tendered

In addition to this an annual full staffing review was carried out and staff recruitment made on the basis of this review with increases and reductions in the appropriate areas.

**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, whilst striving to meet aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 HEMAT for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy 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 Governing Body.

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**The Risk and Control Framework**

The Academy 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 Governing Body;
- regular reviews by the Finance 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;
- the use of Key Performance Indicators (KPI's) to identify financial/other adverse trends in performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Academy Trust continued to recognise the need for a specific internal audit function and has appointed MHA MacIntyre Hudson. The internal auditors' role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis the internal auditor reports to the Academy Trust on the operation of the systems of control and on the discharge of the Academy Trust's financial responsibilities. For the year under review there were no material control issues noted.

**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 auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

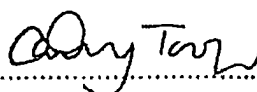
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system in place.

Approved by order of the members of the Trust Board and signed on its behalf by:



R Fielden  
Chair of Governors

Date: 17/12/2019



C Tooze  
Accounting Officer

Date: 17/12/2019

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

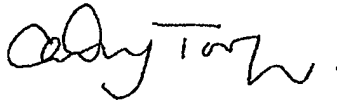
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As Accounting Officer of Herts & Essex Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

**C Tooze**  
**Accounting Officer**



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**HERTS & ESSEX MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Group Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body and signed on its behalf by:



**R Fielden**  
Chair of Trustees

Date: 17/12/2019

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF HERTS & ESSEX MULTI ACADEMY TRUST**

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**OPINION**

We have audited the financial statements of Herts & Essex Multi Academy Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the group Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the group Consolidated Balance Sheet, the group Consolidated 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 group's and of the parent academy's affairs as at 31 August 2019 and of the group's 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 group 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.

**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to note 27 in the financial statements, which indicates an uncertainty on the Trust's ability to pay their debts as they fall due for the foreseeable future. As stated in note 27, these events or conditions, along with the other matters as set forth in the note 27 indicate that a material uncertainty exists that may cast significant doubt on the trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF HERTS & ESSEX MULTI ACADEMY TRUST**

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**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 Reference and Administrative details, Trustees Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities 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 (incorporating the Strategic Report and the Directors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements and.
- the Strategic Report and the Directors 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 group and the parent academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Group 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:

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

**RESPONSIBILITIES OF TRUSTEES**

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

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF HERTS & ESSEX MULTI ACADEMY TRUST**

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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 group and the parent academy 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 group or the parent academy or to cease operations, or have no realistic alternative but to do so.

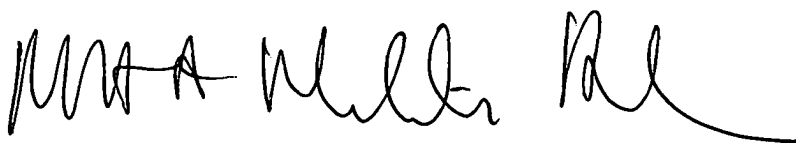
**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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 academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**MHA MacIntyre Hudson LLP**

Chartered Accountants

2 London Wall Place  
Barbican  
London  
EC2Y 5AU

Date: 18 December 2019



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**HERTS & ESSEX MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HERTS & ESSEX MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 4 September 2017 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 Herts & 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 Herts & 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 Herts & Essex Multi Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Herts & Essex Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF HERTS & ESSEX MULTI ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Herts & Essex Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 March 2014, 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HERTS & ESSEX MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- consideration of governance issues and
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

**MHA MacIntyre Hudson LLP**  
Chartered Accountants  
2 London Wall Place  
Barbican  
London  
EC2Y 5AU

Date: 18 December 2019

**HERTS & ESSEX MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

**CONSOLIDATED 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 & capital grants:						
Funds inherited on conversion	2	-	-	-	-	5,955,548
Other donations and capital grants	2	497	-	2,711,630	2,712,127	2,300,745
Charitable activities:	5					
Teaching School		-	592,732	-	592,732	685,609
Other charitable activities	5	42,760	8,778,118	-	8,820,878	8,415,850
Other trading activities	3	7,271	235,977	-	243,248	521,222
Investments	4	3,343	-	-	3,343	2,355
<b>TOTAL INCOME</b>		<b>53,871</b>	<b>9,606,827</b>	<b>2,711,630</b>	<b>12,372,328</b>	<b>17,881,329</b>
<b>EXPENDITURE ON:</b>						
Charitable activities:						
Teaching School		-	219,890	-	219,890	236,233
Other charitable activities		76,616	9,591,793	327,203	9,995,612	9,709,452
Other expenditure	6	-	207,119	-	207,119	43,273
<b>TOTAL EXPENDITURE</b>	<b>8</b>	<b>76,616</b>	<b>10,018,802</b>	<b>327,203</b>	<b>10,422,621</b>	<b>9,988,958</b>
<b>NET INCOME BEFORE TRANSFERS</b>		<b>(22,745)</b>	<b>(411,975)</b>	<b>2,384,427</b>	<b>1,949,707</b>	<b>7,892,371</b>
Transfers between funds	19	-	(916,408)	916,408	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(22,745)</b>	<b>(1,328,383)</b>	<b>3,300,835</b>	<b>1,949,707</b>	<b>7,892,371</b>
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(768,000)	-	(768,000)	360,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(22,745)</b>	<b>(2,096,383)</b>	<b>3,300,835</b>	<b>1,181,707</b>	<b>8,252,371</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		174,490	(1,452,212)	23,954,145	22,676,423	14,424,052
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>151,745</b>	<b>(3,548,595)</b>	<b>27,254,980</b>	<b>23,858,130</b>	<b>22,676,423</b>

The notes on pages 37 to 67 form part of these financial statements.

**HERTS & ESSEX MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08704162**

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

	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Tangible assets	14		27,254,980		22,491,026
Investments	15		21,994		21,994
			<u>27,276,974</u>		<u>22,513,020</u>
<b>CURRENT ASSETS</b>					
Debtors	17	731,860		362,708	
Cash at bank and in hand		750,736		2,968,351	
		<u>1,482,596</u>		<u>3,331,059</u>	
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(1,910,440)</u>		<u>(1,163,656)</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(427,844)</u>		<u>2,167,403</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>26,849,130</u>		<u>24,680,423</u>
Defined benefit pension scheme liability	23		<u>(2,991,000)</u>		<u>(2,004,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>23,858,130</u></u>		<u><u>22,676,423</u></u>
<b>FUNDS OF THE ENTITY</b>					
Restricted income funds:					
Restricted income funds	19	(557,595)		551,788	
Restricted fixed asset funds	19	27,254,980		23,954,145	
Restricted income funds excluding pension liability		<u>26,697,385</u>		<u>24,505,933</u>	
Pension reserve		<u>(2,991,000)</u>		<u>(2,004,000)</u>	
Total restricted income funds			<u>23,706,385</u>		<u>22,501,933</u>
Unrestricted income funds	19		<u>151,745</u>		<u>174,490</u>
<b>TOTAL FUNDS</b>			<u><u>23,858,130</u></u>		<u><u>22,676,423</u></u>

The financial statements on pages 33 to 67 were approved by the Trustees, and authorised for issue, on 17/12/2019 and are signed on their behalf, by:

  
**R Fielden**  
Chair of Trustees

  
**C Tooze**  
Accounting Officer

The notes on pages 37 to 67 form part of these financial statements.

**HERTS & ESSEX MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08704162**

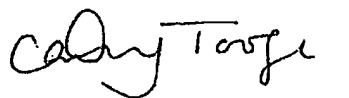
**TRUST BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Tangible assets	14		27,254,980		22,491,026
Investments	15		22,096		22,096
			<u>27,277,076</u>		<u>22,513,122</u>
<b>CURRENT ASSETS</b>					
Debtors	17	775,320		390,770	
Cash at bank		578,472		2,813,646	
		<u>1,353,792</u>		<u>3,204,416</u>	
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(1,746,225)</u>		<u>(1,037,115)</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(392,433)</u>		<u>2,167,301</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>26,884,643</u>		<u>24,680,423</u>
Defined benefit pension scheme liability	23		<u>(2,991,000)</u>		<u>(2,004,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>23,893,643</u></u>		<u><u>22,676,423</u></u>
<b>FUNDS OF THE ACADEMIES</b>					
Restricted funds:					
Restricted funds		(529,783)		334,230	
Restricted fixed asset funds		<u>27,254,980</u>		<u>23,939,729</u>	
Restricted funds excluding pension asset		<u>26,725,197</u>		<u>24,273,959</u>	
Pension reserve		<u>(2,991,000)</u>		<u>(2,004,000)</u>	
Total restricted funds			<u>23,734,197</u>		<u>22,269,959</u>
Unrestricted funds			<u>159,446</u>		<u>406,464</u>
<b>TOTAL FUNDS</b>			<u><u>23,893,643</u></u>		<u><u>22,676,423</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 17/12/2019 and are signed on their behalf, by:



**R Fielden**  
Chair of Trustees



**C Tooze**  
Accounting Officer

The notes on pages 37 to 67 form part of these financial statements.

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<u>158,569</u>	<u>6,858,931</u>
<b>Cash flows from Investing activities:</b>			
Investment income		3,343	2,355
Purchase of tangible fixed assets		(5,091,157)	(7,519,024)
Capital grants and donations		<u>2,711,630</u>	<u>2,304,332</u>
<b>Net cash used in investing activities</b>		<u>(2,376,184)</u>	<u>(5,212,337)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(2,217,615)</b>	<b>1,646,594</b>
Cash and cash equivalents brought forward		<u>2,968,351</u>	<u>1,321,757</u>
<b>Cash and cash equivalents carried forward</b>	22	<u><u>750,736</u></u>	<u><u>2,968,351</u></u>

The notes on pages 37 to 67 form part of these financial statements.

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES**

Herts & Essex Multi Academy Trust is a company limited by guarantee and incorporated in England. The registered office is detailed on page 2. The principal activity is addressed in the Trustees Report.

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in Sterling, the functional currency, rounded to the nearest £1.

Herts & Essex Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the trust and its subsidiary undertaking, Catalyst Innovation for Education Limited. The results of the subsidiary are consolidated on a line by line basis. The financial statements of Herts & Essex Sports Centre Limited, a company with a share capital of £100, has been consolidated. It has remained dormant throughout the year, (note 15).

No separate SOFA has been presented for the trust alone as permitted by section 408 of the Companies Act 2006. The revenue deficit of the trust alone was £1,096,618 (2018 - £8,252,371 surplus).

**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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The Trustees have continued to adopt the going concern basis of accounting in preparing the financial statements, following their consideration of the uncertainties which are addressed in detail in note 27.

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**HERTS & ESSEX MULTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

Grants are included in the Statement of Financial Activities 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 period is deducted from income and recognised as a liability.

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

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

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

Other income, including the teaching school income from the subsidiary, is recognised in the period in which it is receivable and to the extent that services have been provided.

Where assets are transferred from an existing entity into the trust, 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, which is on signature of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of the entity into the trust within income and donations and grants.



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**HERTS & ESSEX MULTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% per annum on a straight line basis
Leasehold property	-	2% per annum on a straight line basis
Furniture and fixtures	-	10% per annum on a straight line basis
Computer equipment	-	33.3% per annum on a straight line basis
Freehold land	-	Not depreciated
Leasehold land	-	Not depreciated

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.

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Operating leases**

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

**1.7 Taxation**

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

**1.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**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 and provisions**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (continued)**

**1.14 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received 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.

**1.15 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of property valuations, depreciation and asset lives.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Funds inherited on conversion	-	-	-	-	5,955,548
Donations	497	-	568,821	569,318	(3,587)
Capital grants	-	-	2,142,809	2,142,809	2,304,332
Subtotal	497	-	2,711,630	2,712,127	2,300,745
Total 2019	497	-	2,711,630	2,712,127	8,256,293
Total 2018	146,420	(422,000)	8,531,873	8,256,293	

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	-	39,979	39,979	41,898
Catering income	-	195,998	195,998	441,145
Teaching income	7,271	-	7,271	38,179
Total 2019	7,271	235,977	243,248	521,222
Total 2018	516,371	4,851	521,222	

**4. INVESTMENT INCOME**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	3,343	-	3,343	2,355
Total 2018	2,355	-	2,355	

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**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	7,374,045	7,374,045	7,125,673
Pupil Premium	-	114,487	114,487	93,600
Other ESFA/DfE grants	-	179,727	179,727	150,135
Teaching school grants	-	504,597	504,597	685,609
	-	8,172,856	8,172,856	8,055,017
<b>Other government grants</b>				
Other government grants	-	359,680	359,680	260,527
Special educational projects	-	80,766	80,766	37,069
	-	440,446	440,446	297,596
<b>Other funding</b>				
Trip income	-	545,413	545,413	450,216
Other fund income	42,760	212,135	254,895	298,630
	42,760	757,548	800,308	748,846
<b>Total 2019</b>	<b>42,760</b>	<b>9,370,850</b>	<b>9,413,610</b>	<b>9,101,459</b>
<b>Total 2018</b>	<b>139,841</b>	<b>8,961,618</b>	<b>9,101,459</b>	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

**6. OTHER EXPENDITURE**

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Expenditure of subsidiary	207,119	207,119	43,273
<b>Total 2018</b>	<b>43,273</b>	<b>43,273</b>	

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**7. EXPENDITURE**

	Staff costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Educational operations:					
Direct costs	5,861,977	327,203	1,469,634	7,658,814	7,047,458
Support costs	1,221,124	129,906	1,205,658	2,556,688	2,898,227
	<u>7,083,101</u>	<u>457,109</u>	<u>2,675,292</u>	<u>10,215,502</u>	<u>9,945,685</u>
Total 2018	<u>6,928,802</u>	<u>413,653</u>	<u>2,603,230</u>	<u>9,945,685</u>	

Of the total expenditure on educational operations £76,616 (2018 - £736,105) was from unrestricted funds, £9,811,683 (2018 - £8,888,619) was from restricted funds and £327,203 (2018 - £320,961) was from restricted fixed asset funds.

**Teaching School Grant**

	2019 £	2018 £
<b>Income</b>		
Maths Hub income	504,597	637,609
Catalyst core grant	-	48,000
<b>Total Income</b>	<u>504,597</u>	<u>685,609</u>
<b>Expenditure</b>		
Wages costs	(204,728)	(157,833)
Other learning resources	(316,779)	(510,866)
<b>Total expenditure</b>	<u>(521,507)</u>	<u>(668,699)</u>
<b>Brought forward</b>	<u>16,910</u>	<u>-</u>
<b>Carry forward</b>	<u>-</u>	<u>16,910</u>

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**8. CHARITABLE EXPENDITURE**

	Direct costs 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Charitable activities	7,658,814	2,556,688	10,215,502	9,945,685
Total 2018	7,047,458	2,898,227	9,945,685	

**Analysis of support costs**

	Activities £	Total 2019 £	Total 2018 £
Staff costs	1,221,124	1,221,124	1,251,919
Educational supplies	55,109	55,109	273,490
Technology costs	9,934	9,934	15,342
Educational consultancy	54,049	54,049	34,569
Maintenance of premises and equipment	129,906	129,906	92,692
Staff advertising and recruitment	22,727	22,727	11,287
Rent and rates	43,446	43,446	45,753
Energy	151,190	151,190	139,065
Insurance	39,210	39,210	47,647
Catering	301,766	301,766	514,875
Other occupancy costs	203,239	203,239	213,689
Other support costs	277,623	277,623	211,642
Governance costs	47,365	47,365	46,257
At 31 August 2019	2,556,688	2,556,688	2,898,227
At 31 August 2018	2,898,227	2,898,227	



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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charitable group	<b>327,203</b>	<b>320,961</b>
Auditors' remuneration	<b>15,000</b>	<b>14,350</b>
Auditors' remuneration - other services	<b>9,050</b>	<b>9,787</b>
Operating lease rentals	<b>28,273</b>	<b>9,293</b>
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	5,348,705	5,207,878
Social security costs	514,828	495,782
Pension costs	1,204,434	1,190,332
	<u>7,067,967</u>	<u>6,893,992</u>
Agency staff costs	3,549	7,707
Staff restructuring	11,585	27,103
	<u>7,083,101</u>	<u>6,928,802</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	<u>11,585</u>	<u>27,103</u>

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

Included in staff restructuring costs are non-statutory severance payments totalling £11,585 (2018 - £27,103). The payment was made in two instalments to one employee.

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	97	106
Administration and support	110	113
Management	18	10
	<u>225</u>	<u>229</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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	1	0
In the band £80,001 - £90,000	2	2
In the band £120,001 - £130,000	0	1
In the band £130,001 - £140,000	1	0

Four of the above employees (2018 - three) participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff members amounted to £60,423 (2018 - £48,775).

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £781,493 (2018 - £762,249).

**11. CENTRAL SERVICES**

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

- Human resources
- Strategic support
- Finance
- Governor support
- Premises Team CPD
- Information Technology
- CEO costs

The Trust charges for these services on the following basis:

Herts & Essex Multi Academy Trust recharges Manor Fields Primary School for these services on the basis of time apportionment of the remuneration of the relevant staff providing the central services, as agreed by the Accounting Officer and the Chief Finance Officer of the Trust.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Manor Fields Primary	80,000	80,000

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. TRUSTEES' REMUNERATION AND EXPENSES**

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

		<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
C Tooze, Headteacher and	Remuneration	<b>130-135</b>	<b>125-130</b>
Accounting Officer	Pension contributions paid	<b>20-25</b>	<b>20-25</b>

During the year, expenses totalling £137 (2018 - £1,525) were reimbursed to one trustee (2018 - two trustees).

**13. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme. The cost of this insurance is included in the total insurance cost.

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**14. TANGIBLE FIXED ASSETS**

Group and trust	Freehold property £	Leasehold property £	Assets under construction £	Furniture and fixtures £	Computer equipment £	Total £
<b>Cost</b>						
At 1 September 2018	16,107,678	6,227,541	1,253,030	68,096	35,058	23,691,403
Additions	44,277	20,895	4,969,945	11,864	44,176	5,091,157
At 31 August 2019	16,151,955	6,248,436	6,222,975	79,960	79,234	28,782,560
<b>Depreciation</b>						
At 1 September 2018	1,125,327	38,291	-	16,446	20,313	1,200,377
Charge for the year	270,166	38,291	-	7,368	11,378	327,203
At 31 August 2019	1,395,493	76,582	-	23,814	31,691	1,527,580
<b>Net book value</b>						
At 31 August 2019	14,756,462	6,171,854	6,222,975	56,146	47,543	27,254,980
At 31 August 2018	14,982,351	6,189,250	1,253,030	51,650	14,745	22,491,026

The freehold property was valued by chartered surveyors on conversion to academy status. The trustees consider that the valuation remains appropriate at 31 August 2019. The leasehold property was valued by the local authority at the time of conversion. The freehold of the land and buildings transferred from Manor Fields is held by the local authority under a 125 year lease, at no charge to the academy.

Land valued at £6,913,000 (2018 - £6,913,000) consists of leasehold land of £4,313,000 and freehold land of £2,600,000.

The £4,969,945 of additions to assets under construction relate to the sports centre.

**15. FIXED ASSET INVESTMENTS**

Group	Other Investments £
<b>Market value</b>	
At 1 September 2018 and 31 August 2019	21,994

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**15. FIXED ASSET INVESTMENTS (continued)**

**Other investments**

The above other investments consist of funds held by Hertfordshire County Council on behalf of the Academy with a market value of £21,994 arising from an endowment to the former school.

The capital and income of the investment held by Hertfordshire County Council may be used by the Academy only for specific expenditure as authorised and is therefore held as a restricted reserve.

	Other investments £	Sub total carried forward £
<b>Trust</b>		
<b>Market value</b>		
At 1 September 2018 and 31 August 2019	<b>21,994</b>	<b>21,994</b>
	<b>Sub total brought forward £</b>	<b>Shares in group undertakings £</b>
<b>Trust</b>		<b>Total £</b>
<b>Market value</b>		
At 1 September 2018 and 31 August 2019	<b>21,994</b>	<b>102</b>
		<b>22,096</b>

The Trust's 100% shareholding in the wholly owned subsidiary, Catalyst Innovation for Education Limited, is included in the balance sheet at the cost of the share capital owned, being two shares of £1. The principal activity of the company is to provide educational support services. Catalyst Innovation for Education Limited is incorporated in the UK.

The Trust other wholly owned subsidiary is Herts & Essex Sports Centre Limited. This is included in the balance sheet at the cost of the share capital owned, being 100 shares of £1. Herts & Essex Sports Centre Limited was dormant during the year. Herts & Essex Sports Centre Limited was incorporated in the UK.

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**16. PRINCIPAL SUBSIDIARIES**

**Catalyst Innovation for Education Limited**

Subsidiary name	Catalyst Innovation for Education Limited
Company registration number	08704888
Basis of control	Equity
Equity shareholding %	100%
Total assets as at 31 August 2019	£ 190,509
Total liabilities as at 31 August 2019	£ 226,020
Total equity as at 31 August 2019	£ (35,511)
Turnover for the year ended 31 August 2019	£ 171,606
Expenditure for the year ended 31 August 2019	£ (207,119)
Loss for the year ended 31 August 2019	£ (35,513)

**Herts & Essex Sports Centre Limited**

Subsidiary name	Herts & Essex Sports Centre Limited
Company registration number	11145421
Basis of control	Equity
Equity shareholding %	100%
Total assets as at 31 August 2019	£ 100
Total liabilities as at 31 August 2019	£ -
Total equity as at 31 August 2019	£ 100
Turnover for the year ended 31 August 2019	£ -
Expenditure for the year ended 31 August 2019	£ -
Result for the year ended 31 August 2019	£ -

The registered office of the subsidiaries is the same as the registered office of the Trust.

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**17. DEBTORS**

	<b>Group</b>		<b>Trust</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	51,831	89,391	41,841	89,565
Amounts owed by group undertakings	-	-	61,704	-
VAT recoverable	162,405	117,783	162,405	117,783
Other debtors	3,430	407	3,430	407
Prepayments and accrued income	514,194	155,127	505,940	183,015
	<b>731,860</b>	<b>362,708</b>	<b>775,320</b>	<b>390,770</b>

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

	<b>Group</b>		<b>Trust</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	672,108	25,232	670,312	15,111
Other taxation and social security	120,534	124,699	120,534	124,699
Other creditors	488,958	134,664	488,914	134,664
Accruals and deferred income	628,840	879,061	466,465	762,641
	<b>1,910,440</b>	<b>1,163,656</b>	<b>1,746,225</b>	<b>1,037,115</b>

	<b>Group</b>		<b>Trust</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Deferred Income</b>				
Deferred income at 1 September 2018	370,239	354,882	256,853	293,101
Resources deferred during the year	319,029	370,239	211,071	256,853
Amounts released from previous years	(370,239)	(354,882)	(256,853)	(293,101)
Deferred income at 31 August 2019	<b>319,029</b>	<b>370,239</b>	<b>211,071</b>	<b>256,853</b>



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

Deferred income of the academy at 31 August 2019 represents funds received in advance or where conditions for recognition have not been met for the following purposes:

	2019 £	2018 £
<b>Trust</b>		
Lettings Income	-	15,876
Music Lessons	35,463	26,096
Catering Income	-	18,896
Trip Income	175,608	133,714
Donations	-	60,000
Other Learning Resources	-	2,271
<b>Total</b>	<b>211,071</b>	<b>256,853</b>

Deferred income of the group at 31 August 2019 represents the above amounts in addition to £107,958 (2018 - £113,386) of grant income.

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**19. STATEMENT OF FUNDS**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General unrestricted funds	174,490	53,871	(76,616)	-	-	151,745
<b>Restricted funds</b>						
General Annual Grant (GAG)	419,844	7,374,045	(7,514,869)	-	-	279,020
Other DfE/ESFA grants	6,012	294,214	(299,306)	-	-	920
Other restricted funds	109,022	1,433,971	(1,464,120)	(7,191)	-	71,682
Teaching School Fund	16,910	504,597	(521,507)	-	-	-
Contribution to be reclaimed	-	-	-	(909,217)	-	(909,217)
Pension reserve	(2,004,000)	-	(219,000)	-	(768,000)	(2,991,000)
	<u>(1,452,212)</u>	<u>9,606,827</u>	<u>(10,018,802)</u>	<u>(916,408)</u>	<u>(768,000)</u>	<u>(3,548,595)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	22,491,026	2,711,630	(327,203)	2,379,527	-	27,254,980
Unspent capital	1,463,119	-	-	(1,463,119)	-	-
	<u>23,954,145</u>	<u>2,711,630</u>	<u>(327,203)</u>	<u>916,408</u>	<u>-</u>	<u>27,254,980</u>
Total restricted funds	<u>22,501,933</u>	<u>12,318,457</u>	<u>(10,346,005)</u>	<u>-</u>	<u>(768,000)</u>	<u>23,706,385</u>
Total of funds	<u>22,676,423</u>	<u>12,372,328</u>	<u>(10,422,621)</u>	<u>-</u>	<u>(768,000)</u>	<u>23,858,130</u>

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

Unrestricted funds are those funds to be used for the charitable objects at the discretion of the trustees.

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit of 12% (2018 - 12%) of the amount of GAG that could be carried forward at 31 August 2019. This amount was not exceeded.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes pupil premium, SEN funding and school trips for which income received is used to cover costs associated with these activities.

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme.

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**19. STATEMENT OF FUNDS (continued)**

Due to the nature of the deficit, it is not immediately payable and can be met in the longer term by increased contributions, increased government funding or changes to benefits. There are plans in place to meet the deficit in order that this is not a constraint on academy funds.

The transfers to restricted fixed asset funds of £916,408 (2018 - £235,584) from restricted funds represents revenue funding used on capital expenditure.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £	Total 2018 £
Herts and Essex Academy	(636,715)	454,904
Manor Fields Primary School	198,049	203,045
Catalyst Innovation for Education Limited	32,816	68,329
Total before fixed asset fund and pension reserve	(405,850)	726,278
Restricted fixed asset fund	27,254,980	23,954,145
Pension reserve	(2,991,000)	(2,004,000)
Total	<u>23,858,130</u>	<u>22,676,423</u>

**ANALYSIS OF ACADEMIES BY COST**

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 depreciat- ion £	Total 2019 £	Total 2018 £
Herts and Essex Academy (including subsidiary costs)	4,768,927	856,921	235,335	2,394,019	8,255,202	7,922,062
Manor Fields Primary School	1,312,050	145,203	27,566	355,397	1,840,216	1,745,935
	<u>6,080,977</u>	<u>1,002,124</u>	<u>262,901</u>	<u>2,749,416</u>	<u>10,095,418</u>	<u>9,667,997</u>

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**19. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General unrestricted funds	105,608	804,987	(736,105)	-	-	174,490
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	7,125,673	(6,941,413)	235,584	-	419,844
Other DfE/ESFA grants	-	243,734	(237,722)	-	-	6,012
Other restricted funds	36,627	911,453	(839,058)	-	-	109,022
Teaching School Fund	-	685,609	(668,699)	-	-	16,910
Pension reserve	(1,697,000)	(422,000)	(245,000)	-	360,000	(2,004,000)
	<u>(1,660,373)</u>	<u>8,544,469</u>	<u>(8,931,892)</u>	<u>235,584</u>	<u>360,000</u>	<u>(1,452,212)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	15,978,817	8,531,873	(320,961)	(235,584)	-	23,954,145

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	27,254,980	27,254,980
Fixed asset investments	-	21,994	-	21,994
Current assets	151,745	1,330,851	-	1,482,596
Creditors due within one year	-	(1,910,440)	-	(1,910,440)
Pension liability	-	(2,991,000)	-	(2,991,000)
	<u>151,745</u>	<u>(3,548,595)</u>	<u>27,254,980</u>	<u>23,858,130</u>

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**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2018 £	2018 £	2018 £	2018 £
Tangible fixed assets	-	-	22,491,026	22,491,026
Fixed asset investments	-	21,994	-	21,994
Current assets	174,491	1,693,450	1,463,119	3,331,060
Creditors due within one year	-	(1,163,657)	-	(1,163,657)
Pension liability	-	(2,004,000)	-	(2,004,000)
	<u>174,491</u>	<u>(1,452,213)</u>	<u>23,954,145</u>	<u>22,676,423</u>

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

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net income for the year (as per Statement of Financial Activities)	<b>1,949,707</b>	<b>7,892,371</b>
<b>Adjustment for:</b>		
Increase in fixed asset investments	-	(395)
Depreciation charges	<b>327,203</b>	<b>320,961</b>
Interest income	<b>(3,343)</b>	<b>(2,355)</b>
Increase in debtors	<b>(369,152)</b>	<b>(181,257)</b>
Increase in creditors	<b>746,784</b>	<b>466,938</b>
Capital grants and donations	<b>(2,711,630)</b>	<b>(2,304,332)</b>
Defined benefit pension adjustment	<b>219,000</b>	<b>245,000</b>
Pension fund transferred from local authority on conversion	-	<b>422,000</b>
<b>Net cash provided by operating activities</b>	<b><u>158,569</u></b>	<b><u>6,858,931</u></b>

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**22. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>750,736</b>	<b>2,968,351</b>
Total	<b>750,736</b>	<b>2,968,351</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: The Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The London Borough of Barnet. Both are Multi-Employer Defined Benefit Pension Schemes.

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

**INTRODUCTION**

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%.

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**23. PENSION COMMITMENTS (continued)**

**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.

The employer's pension costs paid to TPS in the period amounted to £667,000 (2018 - £648,000).

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

Under the definitions set out in FRS 102, the TPS is 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.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £392,000 (2018 - £373,000), of which employer's contributions totalled £318,000 (2018 - £297,000) and employees' contributions totalled £74,000 (2018 - £76,000). The agreed contribution rates for future years are 25.3% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2019	2018
Discount rate for scheme liabilities	1.80 %	2.80 %
Rate of increase in salaries	2.40 %	2.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Commutation pre April 2008 service	50.00 %	50.00 %
Commutation post April 2008 service	75.00 %	75.00 %



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**23. PENSION COMMITMENTS (continued)**

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

	<b>2019</b>	<b>2018</b>
Retiring today		
Males	<b>21.5</b>	<b>22.5</b>
Females	<b>23.7</b>	<b>24.9</b>
Retiring in 20 years		
Males	<b>22.3</b>	<b>24.1</b>
Females	<b>25.0</b>	<b>26.7</b>

	<b>At 31 August 2019 £</b>	<b>At 31 August 2018 £</b>
<b>Sensitivity analysis</b>		
Salary Increase Rate +0.5%	<b>107,000</b>	<b>91,000</b>
Discount Rate -0.5%	<b>723,000</b>	<b>518,000</b>
Pension Increase Rate +0.5%	<b>601,000</b>	<b>420,000</b>

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**23. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	1,370,000	1,176,000
Debt instruments	1,090,000	776,000
Property	224,000	177,000
Cash and other liquid assets	112,000	89,000
Total market value of assets	<u>2,796,000</u>	<u>2,218,000</u>

The actual return on scheme assets from 1 October 2018 to 30 June 2019 was 4.4% (2018 - 5.8%).

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

	2019 £	2018 £
Current and past service cost	(479,000)	(487,000)
Interest income	67,000	49,000
Interest cost	(125,000)	(104,000)
Total	<u>(537,000)</u>	<u>(542,000)</u>

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

	2019 £	2018 £
Opening defined benefit obligation	4,222,000	2,975,000
Transferred in on existing academies joining the trust	-	912,000
Current and past service cost	479,000	487,000
Interest cost	125,000	104,000
Employee contributions	74,000	76,000
Actuarial losses/(gains)	907,000	(305,000)
Benefits paid	(20,000)	(27,000)
Closing defined benefit obligation	<u>5,787,000</u>	<u>4,222,000</u>

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**23. PENSION COMMITMENTS (continued)**

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

	2019 £	2018 £
Opening fair value of scheme assets	2,218,000	1,278,000
Transferred in on existing academies joining the trust	-	490,000
Interest income	67,000	49,000
Actuarial gains/(losses)	139,000	55,000
Employer contributions	318,000	297,000
Employee contributions	74,000	76,000
Benefits paid	(20,000)	(27,000)
	<u>2,796,000</u>	<u>2,218,000</u>
Closing fair value of scheme assets	<u>2,796,000</u>	<u>2,218,000</u>

**24. OPERATING LEASE COMMITMENTS**

At 31 August 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2019 £	2018 £
<b>Amounts payable:</b>		
Within 1 year	-	9,293
Between 1 and 5 years	151,781	21,157
After more than 5 years	629,778	-
	<u>781,559</u>	<u>30,450</u>
<b>Total</b>	<u>781,559</u>	<u>30,450</u>

At 31 August 2019 the academy had annual commitments under non-cancellable operating leases as follows:

<b>Trust</b>		
<b>Amounts payable:</b>		
Within 1 year	-	9,293
Between 1 and 5 years	151,781	21,157
After more than 5 years	629,778	-
	<u>781,559</u>	<u>30,450</u>
<b>Total</b>	<u>781,559</u>	<u>30,450</u>

The above commitments relate to assets other than land and buildings.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Details of income and expenditure allocation of the subsidiary are included in accounting policies.

Advantage is taken of FRS 102 exemption from disclosure of all other intra group transactions between wholly owned subsidiaries.

No further related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

**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.

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**27. GOING CONCERN**

The Trust was formed in 2013. In the year to 31 August 2019, the Trust has reported:

- Revenue expenditure of £215,720 (2018: £348,459 surplus).
- Contribution from revenue reserves to capital of £916,408 (2018 - £235,584 capital transfer to revenue).
- New revenue expenditure after capital contribution of £1,132,128 (2018 - £584,043 surplus).
- The restricted fixed asset fund was £27,254,980 (2018: £23,954,145).
- The Local Government Pension fund deficit was £2,991,000 (2018: £2,004,000).
- At 31 August 2019, other restricted funds were in deficit of £557,595 (2018: £551,788 surplus) and the unrestricted fund balance was £151,745 (2018: £174,490) of which £-7,711 related to Herts and Essex Academy and £159,446 related to Manor Fields Primary School.

The general Trust spend within the year is better than originally budgeted. This is a result of careful cost monitoring and looking for efficiencies to reduce general spend.

Over the past two years the trust has been working on enhancing the sporting facilities of Herts & Essex High School. It has undertaken the build and fitting out of a large modern sports centre facility benefiting both education and community. Towards completion of the contract there were additional variations, including amendments due to changes in fire regulations. This resulted in additional costs.

The cost of the variations to the Sports Centre resulted in the depletion of revenue funds however, it has increased the Trust's capital position

There are several on-going projects within the Trust to raise finance for the deficit relating to capital spend. Specifically

- Sale of a small piece of land, the ESFA have not yet approved this due to purdah but a potential buyer has been found;
- Donations from third parties who are committed to using the sports and tennis facilities;
- Obtaining a loan from the ESFA.

The Trustees are holding regular discussions with the ESFA and have a meeting with the ESFA in late December 2019 to discuss a loan facility of up to £500,000 to be advanced to the Trust as soon as practicable during 2020, such facility would be repayable over ten years on agreed terms. Repayment of the loan would be funded by income from the Sports Centre and by further reductions in general spend.

In the event that funding is not made available by the ESFA, the Trustees will look at alternative sources of funding and cost reductions to ensure a balanced budget can be obtained for at least twelve months from the signing of the balance sheet.