

Company registration number 08704162 (England and Wales)

HERTS & ESSEX MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2022



HERTS & ESSEX MULTI ACADEMY TRUST

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HERTS & ESSEX MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

	S Brindley
	S Cox
- Member, Trustee and Chair	R Fielden
- Member and Trustee	S Dutton
	S Loveday

Trustees

M Archer (Chair)
T Benson
P Bull
R Fielden
I Graham (Resigned 19 July 2022)
Y Gregory (Vice Chair)
J Keogh (Vice Chair) (Resigned 9 September 2021)
C Tooze (Executive Headteacher and Accounting Officer)
S Wilks
S Dutton (Appointed 8 July 2022)
T Hammonds (Appointed 8 July 2022)
K Liu (Appointed 7 February 2022)

Co-Opted Governors (Herts & Essex)

J Barnett (appointed 7 February 2022)
A Bhusari
I Chapman
F Iwaschkin
C Kerins
E Kirkham
J Massingham-Lamprell
I McLeod
A Novitt
T Read (resigned 18 July 2022)
P Robinson
C Wilkerson

Co-Opted Governors (Manor Fields)

C Cozens
N Elliman
M Labi
F Millns
H Smith
L Storey

HERTS & ESSEX MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Senior Leadership Team

- Executive Headteacher (HEMAT)	C Tooze
- Headteacher (H&E)	E Kirkham
- Headteacher (MF)	H Smith
- Executive Deputy Headteacher (HEMAT)	I Chapman
- Executive Deputy Headteacher (HEMAT)	P Robinson
- Deputy Headteacher (H&E)	C Lewis
- Deputy Headteacher (MF)	D Marshall

Company secretary I Chapman

Company registration number 08704162 (England and Wales)

Principal and registered office The Hertfordshire & Essex High School
Warwick Road
Bishop's Stortford
CM23 5NJ

Academies operated	Location	Headteacher
Herts & Essex High School	Bishop's Stortford	E Kirkham
Manor Fields Primary School	Bishop's Stortford	H Smith

Independent auditor UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

Bankers NatWest Bank
7 North Street
Bishop's Stortford
Herts
CM23 2TJ

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

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report together with the accounts and auditor's report of the Charitable Company for the year ended 31 August 2022. 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 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 465. Herts & Essex is a school for students aged 11 to 18. It has capacity for 1,430. The numbers on roll in January 2021 were: Manor Fields 447 and Herts & Essex 1,350.

Manor Fields joined the Multi Academy Trust on 1 September 2017.

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.

The listed Trustees act as 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 had two subsidiary companies: Catalyst Innovation for Education Limited, (which filed a first gazette for voluntary strike off notice on 16 November 2021), and The Herts & Essex High School Sports Centre Limited, (which filed a first gazette notice for voluntary strike off on 26 October 2021).

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 Academy Trust undertakes to contribute to the assets of the Academy Trust 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.

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Method of recruitment and appointment or election of Trustees

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 4 Parent Governors
 - a. Up to 3 Staff Governors
 - b. 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, Headteachers or Executive Deputy Headteachers
 - a. A Staff Governor will only hold office for so long as they continue to be employed as a teacher or member of support staff

Policies and procedures adopted for the induction and training of Trustees

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, Trust-level Committees and Local Governing Body (LGB) Committees meet twice each term. The Members meet at least once per year.

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

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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).

The Trustees 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 Governing Body 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, Headteachers, Executive Deputy Headteachers, HR Manager, Strategic ICT Lead and Assistant Headteachers.

The school has a leadership structure which consists of the Governing Body, the Senior Leadership Team and Middle Leaders, including Year Leaders and, Subject Leaders 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.

The SLT leads the school at an executive level, implementing the policies laid down by the Governing Body 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.

Arrangements for setting pay and remuneration of 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.

Engagement with employees

Related parties and other connected charities and organisations

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

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Objects and aims

Herts & Essex High School

Herts & Essex High School has been hugely successful in the last 13 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 average, 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 schools nationally for the last seven consecutive years.

The school enjoyed two specialisms for several years, NACE awards, and Careers Mark. It was 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 over a long period of time. 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. Since then, Herts & Essex has consistently self-evaluated as 'outstanding' in all areas, with external validation. In December 2019, it was awarded the accolade 'World Class School', which was re-accredited in 2022.

Manor Fields Primary School

Manor Fields Primary School 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 Herts & Essex Multi Academy Trust.

Under new leadership and governance, Manor Fields retained the trust of its parent body and the local community. Many of the outcomes of the previously weak leadership caused some difficult legacy for the school. However, a corner has been turned and in March 2022, Ofsted recently graded the school 'good' in all areas.

Both schools are popular, over-subscribed and enjoy extremely positive reputations in Bishop's Stortford.

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives, strategies and activities

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
- Harness the benefits of both mixed and single-sex education
- Every child has their potential unlocked and aspires to achieve at their 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
- 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

- A positive behaviour ethos
- An equalities-driven philosophy underpins all our work
- Deeply embedded good traditions

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

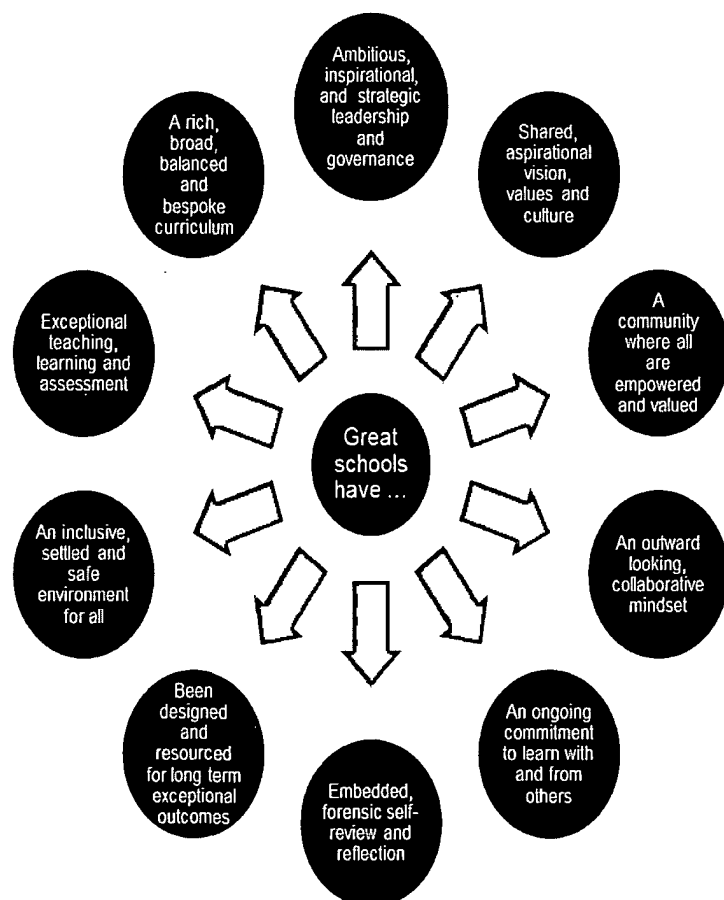
Initiative

- Enterprise activities are extensive
- Partnerships with other schools and organisations, such as Eden High School, Uganda, Bishop's Stortford Education Trust and Matrix Maths Hub

Independence

- Science, Technology, Maths, Music and Sports, and 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 and inspiring.

HEMAT schools will all be Great Schools



HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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, such as sports leadership and SSAT
- The School Council is a force for leadership
- Staff and students are researchers

Shared, aspirational vision, values and culture

- The values are developed through the house system
- 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

- The outreach work is developed 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 both schools

Designed and resourced for long-term exceptional outcomes

- Fresh, innovative spaces at MF
- Great food served from great restaurants
- Strategic CFO in post

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)
- Hold Public Exams in the Sports Centre (silence and space guaranteed)

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

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Annual Development Plans

The main objectives for the Annual Development Plan for 2022-2023 are as follows:

- Environmental Sustainability
- *Maintaining student progress through the Curriculum*
- Curriculum Review
- Belonging and Student Voice
- *HR and Staff Wellbeing*
- *Bring Your Own Device.*

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 at the ends of Key Stages 1, 2, at GCSE and A Level, and the vast majority of students progressing to Higher Education or high level apprenticeships 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, and taken up, contribute to outstanding schools in which children and young people thrive.

The Trust supports other schools through the delivery of Outreach activities, Maths Hub and Science Learning Partnership work and knowledge, all of which ultimately benefit the wider educational community.

Strategic report

Key performance indicators

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.

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Core funding (GAG) is based on student numbers, this is also a key performance indicator. Student numbers for January 2022 were 1463 for Herts & Essex and 447 for Manor Fields at census date, an increase on the previous year. Applications for the main school (Years 7-11) were very positive continuing with the trend of significant over-subscription with 584 students applying for places at Herts & Essex relating to the 186 Year 7 places available for entry in September 2022. 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.

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

In the year ended 31 August 2022, the Trust reported:

- General funds net income of £783,982 (2021: £78,831 net expenditure)
- Transfer from general funds to capital of £39,488 (2021: £nil)
- The restricted fixed asset fund balance is £27,482,114 (2021: £27,683,661)
- The Local Government Pension Scheme fund deficit was £1,458,000 (2021: £5,047,000)
- The Trust's general funds were in a surplus of £231,937 (2021: deficit of £512,557)
- The Trust's general funds are attributed to Herts & Essex High School surplus of £7,102 (2021: deficit £622,027) and Manor Fields Primary School surplus of £224,835 (2021: £109,470)

The Trust is reporting an overall surplus position as at 31 August 2022. This improved financial position is due to tight cost control as well as increasing pupils and associated revenue. The Trust has now cleared its historic deficit associated with the building of the sports centre.

The Trust is working to continue to improve the financial position of the academy trust. The Sports Centre is expected to be fully operational for the full financial year and a small surplus has been budgeted for the year. Further work is taking place to identify opportunities to continue to increase revenue.

As is the case for many schools, the UK's weak economic outlook for 2023 is placing financial pressure on the Trust's costs, budgets and forecasts, which includes teacher and support staff pay rises, representing an increase to overall expenditure of 3.5%, as well as rising energy costs and general inflationary pressures. Nonetheless, the Trust as a whole continues to work prudently across all areas of financial responsibility. To ensure that its schools remain financially viable and it remains a going concern, the Trust is also continuing to implement tight cost controls and is actively looking to manage costs, specifically:

- Carefully monitoring utilities prices with prices capped until Autumn 2023
- Delaying capital projects where these will not have an impact on the state of the school buildings or outcomes for pupils
- Tight budgetary control on curriculum cost centres

Taking these considerations into account, the Trust expects to generate net general funds income in 2022/23 and therefore to increase its current surplus position.

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

Financial Notice to Improve (FNtI)

As a consequence of the Grenfell tragedy and subsequent redesign of a number of features of the Sports Centre, the Herts & Essex Trust incurred a significant overspend on this building project. Unfortunately, this led to a deficit for the Trust, which the Trust has since reduced and eradicated to the extent that there is an in-year surplus reported by the Trust for the year to 31 August 2022. As a result of the deficit incurred, the Trust received a letter on the 27th July 2020 addressed to Robert Fielden (Chair of Trustees at the time), from Warwick Sharp Director, Academies and Maintained Schools Directorate. The letter outlined details of what the Trust must do to comply with the terms of the FNtI. The letter can be viewed via this link:

<https://www.hemat.org.uk/policies2/59363.html> - Letter from Warwick Sharp.

Since receiving the letter the Trust has:

- engaged with a new SRMA deployment
- developed an action plan to drive through the efficiencies of the SRMA recommendation
- carried out an external governance review to identify any gaps in the governance structure
- developed and implemented an action plan
- engaged with Academy Ambassadors.

The FNtI is ongoing, however, in the light of the positive results of the external governance review, which is documented in the Governance Review, and particularly considering the significantly improved financial performance and encouraging financial outlook, the Trust are working towards having this removed in early 2023.

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 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 Trust's total reserves at 31 August 2022 were £26,256,051 (2021: £22,124,104).

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.

The Trust's pension reserve has a liability at 31 August 2022 of £1,458,000 (2021: £5,407,000).

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 held in bank accounts which receive the highest interest rates available to the Trust to maximise income. Day to day management of the surplus funds is delegated to the Executive Headteacher within strict guidelines approved by the Governing Body.

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Principal risks and uncertainties

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 to assess the commercial and other risks that the Trust faces. Where significant risk potentially remains, then adequate liability insurance cover is in place to close these gaps.

The Trust has 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 scheme deficit (Local Government Pension Scheme), which is set out in Note 21 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 further enhanced its audit and risk procedures to provide assurance to trustees that the Trust is effectively managing its risks and has a robust system of internal controls. The reporting mechanism for this is the Trust's Risk Register which highlights the key risks facing the Trust. The Risk Register is monitored by the Audit and Risk committee (termly) and the Finance Committee (annually).

Any significant changes in risk impact or probability, or the occurrence of an event which raises the profile of a risk is recorded on the risk register as it occurs.

The Executive Deputy Headteacher ensures that:

- individual members of staff are aware of their accountability for individual risks
- individuals report promptly to the SLT any perceived new risks or failure of existing control measures.

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

The accountable risk owners mitigate actions to an acceptable level.

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 Trust 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.

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 UHY Hacker Young and MHA MacIntyre Hudson to undertake audit and internal scrutiny 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.

Financial and risk management objectives and policies

Fundraising

The Trust 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.

HERTS & ESSEX MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 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 schools 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 Academy Trust and its Governors do not act as the Custodian Trustees for any other charity.

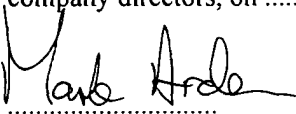
Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, UHY Hacker Young, 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.

The Trustees' report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 16 December 2022 and signed on its behalf by:



M Archer

Chair

HERTS & ESSEX MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Multi Academy Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met six times during the year to 31 August 2022. Attendance during the year at Trustees' Meetings:

Trustees	Meetings attended	Out of possible
M Archer (Chair)	5	6
T Benson	6	6
P Bull	4	6
R Fielden	5	6
I Graham (Resigned 19 July 2022)	4	6
Y Gregory (Vice Chair)	6	6
J Keogh (Vice Chair) (Resigned 9 September 2021)	0	0
C Tooze (Executive Headteacher and Accounting Officer)	6	6
S Wilks	5	6
S Dutton (Appointed 8 July 2022)	0	1
T Hammonds (Appointed 8 July 2022)	1	1
K Liu (Appointed 7 February 2022)	4	4

Governor meeting attendance for 2021/22 is on the website <https://www.hemat.org.uk/> and can be accessed via the following links:

<https://www.hertsandessex.herts.sch.uk/search/governing-body/58976.html>

Conflicts of interest

Trustees mitigate conflicts of interest by:

- Providing governor training to understand conflicts of interest and the threat it may pose for the Trust.
- Ensuring that Conflicts of Interest are covered in the first Trustees meeting of the year.
- Keeping a 'live' conflicts of interest register.
- Keeping an electronic date stamped Conflicts of Interest tracker.
- Ensuring that there's an item at the beginning of every trustees meeting whereby Trustees are asked to declare and Conflicts of Interest
- Ensuring that minutes are taken by the Clarke who has responsibility for adding Conflicts of Interest to the register.
- Ensuring Conflicts of interests are double checked in meeting via matters arising.

HERTS & ESSEX MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Governance reviews

The Trust commissions Herts for Learning to conduct an annual external review of governance. This takes place in the autumn term and consists of visits, deep dives and a progress impact review. The review is focussed on topical issues, as well as covering statutory requirements.

Following the 2021 review a RAG rated action plan was produced and trustees use this information for development within their committees.

The following areas were highlighted in 2021 and have all been successfully embedded:

- Embed audit and risk based effective governance practices
- Embed a strong culture of rigor and governance accountability
- Focus on continued professional development for - educational specific for those charged with governance and academy finance specific for some Trustees
- Produce Trust succession plans, developing Trust future leaders, identifying, and mitigating “keyperson” risks

Trust Committees

Finance Committee – meets six times (with additional meetings as required to review monthly management accounts). The Finance Committee 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.

Audit and Risk Committee – meets at least three times a year reviewing financial audits, risk and risk strategy. This sub-committee operates across the Trust.

Student Welfare LGB Committees – meets 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.

Curriculum LGB Committees – meets 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 – 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 sub-committee operates across the Trust.

HERTS & ESSEX MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Premises Development and Sports Centre Committee - meets twice per term to monitor and review all aspects of maintenance, improvement and repair to the buildings, grounds and plant, as well as overseeing the running of the Sports Centre. 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.

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 Academy 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 Trust had been subject to the correct quotation/tendering procedure;
- carrying out an annual full staffing review with staff recruitment made on the basis of this review with increases and reductions in the appropriate areas; and
- cost savings identified and implemented within the financial year.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Herts & Essex Multi Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

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 period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

HERTS & ESSEX MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 (KPIs) to identify financial/other adverse trends in performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- 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.

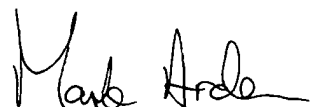
Review of effectiveness

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 or the school resource management self-assessment tool;
- the work of the executive leaders within the Academy Trust who have responsibility for the development and maintenance of the internal control framework;
- scrutiny by the ESFA; and
- an audit commissioned from Herts for Learning.

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 is in place.

Approved by order of the members of the Governing Body on 16 December 2022 and signed on its behalf by:



M Archer
Chair



C Tooze
Executive Headteacher and Accounting Officer

HERTS & ESSEX MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

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 and 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 Academy Trust Handbook 2021.

I confirm that I and the Academy Trust's 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 Academy Trust Handbook 2021.

Herts & Essex Multi Academy Trust received a Financial Notice to Improve (FNTI) from the ESFA in the year ended 31 August 2020. The Trust and the trustees are working with the ESFA to rectify the issues raised by the ESFA and implement the required improvements. It is expected that the FNTI will be lifted by the ESFA when all matters are satisfactorily resolved.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered relating to the year ended 31 August 2022 or post year-end to date. If any instances are identified after the date of this statement, these will be notified to the Trust's Board of Trustees and ESFA.



C Tooze
Accounting Officer

16 December 2022

HERTS & ESSEX MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who act as Governors of Herts & Essex and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under company law, the Trustees must not approve the accounts 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 accounts, the Trustees are required to:

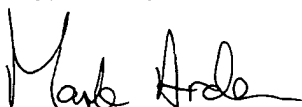
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2022 and the Academies Accounts Direction 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from the 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 16 December 2022 and signed on its behalf by:



M Archer

Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERTS & ESSEX MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Herts & Essex Multi Academy Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

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 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERTS & ESSEX MULTI
ACADEMY TRUST (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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 are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERTS & ESSEX MULTI
ACADEMY TRUST (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Auditor's responsibilities for the audit of the accounts

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risk related to overstated assets.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, review of correspondence with legal advisors, enquiries of management and testing of journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERTS & ESSEX MULTI
ACADEMY TRUST (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2022

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Wright

**Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young**

16 December 2022
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**Chartered Accountants
Statutory Auditor**

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

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 25 May 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 period 1 September 2021 to 31 August 2022 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Herts & Essex Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Herts & Essex Multi Academy Trust and 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

FOR THE YEAR ENDED 31 AUGUST 2022

The work undertaken to draw our conclusion includes:

- Evaluation of the general control environment;
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education;
- Review of the declaration of interests to ensure completeness;
- Review of minutes for evidence of declaration of interest;
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities;
- A sample of cash payments were reviewed for unusual transactions;
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement; and
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety.

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 period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

Reporting Accountant

Dated: 16 December 2022

HERTS & ESSEX MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2022 £	Total 2021 £
Income and endowments from:					
Donations and capital grants	3	-	-	252,355	693,867
Charitable activities:					
- Funding for educational operations	4	83,071	11,457,941	-	10,115,539
Other trading activities	5	-	18,231	-	9,388
Total		<u>83,071</u>	<u>11,476,172</u>	<u>252,355</u>	<u>10,818,794</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	11,407,261	493,390	11,069,082
Total	6	<u>-</u>	<u>11,407,261</u>	<u>493,390</u>	<u>11,069,082</u>
Net income/(expenditure)		83,071	68,911	(241,035)	(250,288)
Transfers between funds	18	(94,882)	55,394	39,488	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	4,221,000	-	(1,027,000)
Net movement in funds		<u>(11,811)</u>	<u>4,345,305</u>	<u>(201,547)</u>	<u>(1,277,288)</u>
Reconciliation of funds					
Total funds brought forward		109,470	(5,669,027)	27,683,661	23,401,392
Total funds carried forward		<u>97,659</u>	<u>(1,323,722)</u>	<u>26,256,051</u>	<u>22,124,104</u>

HERTS & ESSEX MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
Income and endowments from:					
Donations and capital grants	3	-	-	693,867	693,867
Charitable activities:					
- Funding for educational operations	4	69,189	10,046,350	-	10,115,539
Other trading activities	5	-	9,388	-	9,388
Total		69,189	10,055,738	693,867	10,818,794
Expenditure on:					
Charitable activities:					
- Educational operations	8	77,360	10,510,398	481,324	11,069,082
Total	6	77,360	10,510,398	481,324	11,069,082
Net income/(expenditure)		(8,171)	(454,660)	212,543	(250,288)
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(1,027,000)	-	(1,027,000)
Net movement in funds		(8,171)	(1,481,660)	212,543	(1,277,288)
Reconciliation of funds					
Total funds brought forward		117,641	(4,187,367)	27,471,118	23,401,392
Total funds carried forward		109,470	(5,669,027)	27,683,661	22,124,104

HERTS & ESSEX MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

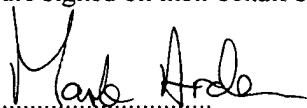
		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12	27,259,361		27,260,420	
Investments	13	21,994		21,994	
		27,281,355		27,282,414	
Current assets					
Debtors	14	377,850		782,317	
Cash at bank and in hand		1,037,402		250,922	
		1,415,252		1,033,239	
Current liabilities					
Creditors: amounts falling due within one year	15	(797,940)		(902,049)	
Net current assets		617,312		131,190	
Total assets less current liabilities		27,898,667		27,413,604	
Creditors: amounts falling due after more than one year	16	(184,616)		(242,500)	
Net assets before defined benefit pension scheme liability		27,714,051		27,171,104	
Defined benefit pension scheme liability	20	(1,458,000)		(5,047,000)	
Total net assets		26,256,051		22,124,104	
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds		27,482,114		27,683,661	
- Restricted income funds		134,278		(622,027)	
- Pension reserve		(1,458,000)		(5,047,000)	
Total restricted funds		26,158,392		22,014,634	
Unrestricted income funds	18	97,659		109,470	
Total funds		26,256,051		22,124,104	

HERTS & ESSEX MULTI ACADEMY TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The accounts on pages 30 to 59 were approved by the Trustees and authorised for issue on 16 December 2022 and are signed on their behalf by:



M Archer

Chair

Company registration number 08704162

HERTS & ESSEX MULTI ACADEMY TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	21		1,173,956		(674,291)
Cash flows from investing activities					
Capital grants from DfE Group		86,980		536,466	
Capital funding received from sponsors and others		165,375		157,401	
Purchase of tangible fixed assets		(492,331)		(270,626)	
Proceeds from sale of investments		-		102	
Net cash (used in)/provided by investing activities			(239,976)		423,343
Cash flows from financing activities					
New other loan		-		300,000	
Repayment of other loan		(147,500)		(2,500)	
Net cash (used in)/provided by financing activities			(147,500)		297,500
Net increase in cash and cash equivalents in the reporting period					
			786,480		46,552
Cash and cash equivalents at beginning of the year			250,922		204,370
Cash and cash equivalents at end of the year			1,037,402		250,922

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Herts & Essex Multi Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

1.1 Basis of preparation

The accounts 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

In the year ended 31 August 2022, the Trust reported:

- General funds net income of £783,982 (2021: £78,831 net expenditure)
- Transfer from general funds to capital of £39,488 (2021: £nil)
- The restricted fixed asset fund balance is £27,482,114 (2021: £27,683,661)
- The Local Government Pension Scheme fund deficit was £1,048,000 (2021: £5,047,000)
- The Trust's general funds were in a surplus of £231,937 (2021: deficit of £512,557)
- The Trust's general funds are attributed to Herts & Essex High School surplus of £7,102 (2021: deficit £622,027) and Manor Fields Primary School surplus of £224,835 (2021: £109,470)

The Trust is reporting an overall surplus position as at 31 August 2022. This improved financial position is due to tight cost control as well as increasing pupils and associated revenue. The Trust has now cleared its historic deficit associated with the building of the sports centre.

The Trust is working to continue to improve the financial position of the academy trust. The Sports Centre is expected to be fully operational for the full financial year and a small surplus has been budgeted for the year. Further work is taking place to identify opportunities to continue to increase revenue.

As is the case nationally with all state funded schools, the Trust faces ongoing financial and cost pressures, including the teacher and support staff pay rises, representing an increase to overall expenditure of 3.5%. To ensure that the Trust remains financially viable and a going concern, it is continuing to implement tight cost controls and is actively looking to manage costs, specifically:

- Carefully monitoring utilities prices with prices capped until Autumn 2023

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

- Delaying capital projects where these will not have an impact on the state of the school buildings or outcomes for pupils

- Tight budgetary control on curriculum cost centres

The Trust expects to generate net general funds income in 2022/23 to retain its current surplus position.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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

Freehold property	2% per annum on a straight line basis
Leasehold property	2% per annum on a straight line basis
Assets under construction	Not depreciated
Computer equipment	33.3% per annum on straight line basis
Fixtures, fittings & equipment	10% per annum on a straight line basis

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

1.6 Liabilities

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

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

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.

1.9 Financial instruments

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

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

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are 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 net income or expenditure 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.

1.12 Fund accounting

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

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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 Education and Skills Funding Agency.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements 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.

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement

(Continued)

Pension Liability

Critical assumptions for LGPS

The present value of the Local Government Pension Scheme (LGPS) 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 21, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full triennial actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and the next full triennial actuarial valuation would impact on the carrying amount of the pension liability shown in these financial statements.

The ultimate responsibility for setting the assumptions is that of the Academy Trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The Academy Trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

One of the key assumptions is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate of 4.25% is considerably higher than the rate of 1.65% used in 2021. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower overall net liabilities.

This is the key driver for the swing that has resulted in the actuarial report and these financial statements showing a significantly reduced defined benefit liability from £5.047m to £1.458m during the year.

Depreciation

The trustees estimate the useful economic lives and residual values of Buildings, Computer Equipment and Furniture and Fittings in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the Statement of Financial Activities and Balance Sheet.

The trustees have reviewed the carrying values of the Trust's fixed assets.

Critical areas of judgement

The trustees do not consider that they have made any critical judgements in the preparation of the financial statements.

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	86,980	86,980	693,867
Other donations	-	165,375	165,375	-
	-	252,355	252,355	693,867

4 Funding for the Academy Trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	9,258,287	9,258,287	7,977,378
Other DfE/ESFA grants:				
- UIFSM	-	-	-	31,070
- Pupil premium	-	111,358	111,358	145,980
- Maths Hub	-	545,856	545,856	431,397
- Others	-	358,879	358,879	599,350
	-	10,274,380	10,274,380	9,185,175
Other government grants				
Special educational projects	-	320,207	320,207	342,650
Other incoming resources	83,071	863,354	946,425	587,714
Total funding	83,071	11,457,941	11,541,012	10,115,539

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	-	13,633	13,633	6,081
Catering income	-	4,598	4,598	3,307
	-	18,231	18,231	9,388

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Expenditure

	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other	2022	2021
	£	£	£	£	£
Academy's educational operations					
- Direct costs	6,824,294	-	1,122,670	7,946,964	7,618,195
- Allocated support costs	1,799,091	1,321,651	832,945	3,953,687	3,450,887
	<u>8,623,385</u>	<u>1,321,651</u>	<u>1,955,615</u>	<u>11,900,651</u>	<u>11,069,082</u>

Net income/(expenditure) for the year includes:

	2022	2021
	£	£
Fees payable to auditor for:		
- Audit	20,000	18,500
- Other services	7,300	5,900
Operating lease rentals	1,833	128,040
Depreciation of tangible fixed assets	493,390	481,324
Net interest on defined benefit pension liability	88,000	65,000
	<u>500,523</u>	<u>699,764</u>

7 Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose.

8 Charitable activities

	2022	2021
	£	£
All from restricted funds:		
Direct costs		
Educational operations	7,946,964	7,618,195
Support costs		
Educational operations	3,953,687	3,450,887
	<u>11,900,651</u>	<u>11,069,082</u>

	2022	2021
	£	£
Analysis of support costs		
Support staff costs	1,865,331	1,410,630
Depreciation	12,066	481,324
Premises costs	828,261	827,785
Legal costs	117,797	96,321
Other support costs	1,096,982	614,727

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Charitable activities	(Continued)	
Governance costs	33,250	20,100
	<u>3,953,687</u>	<u>3,450,887</u>

9 Staff

Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	6,075,462	5,907,292
Social security costs	590,517	559,062
Pension costs	1,957,406	1,651,381
Staff costs - employees	<u>8,623,385</u>	<u>8,117,735</u>
	8,623,385	8,117,735
Staff development and other staff costs	<u>99,428</u>	<u>101,711</u>
Total staff expenditure	<u><u>8,722,813</u></u>	<u><u>8,219,446</u></u>

Staff numbers

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

	2022 Number	2021 Number
Teachers	105	112
Administration and support	122	128
Management	6	5
	<u>233</u>	<u>245</u>

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

(Continued)

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	4	4
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£130,001 - £140,000	-	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £641,157(2021: £566,593).

10 Trustees' remuneration and expenses

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

The value of Trustees' remuneration and other benefits was as follows:

	Remuneration	
	2022	2021
C Tooze (Headteacher and Trustee)	£125,000 - £130,000	£135,000 - £140,000

	Employer's pension contributions	
	2022	2021
C Tooze (Headteacher and Trustee)	£30,000 - £35,000	£30,000 - £35,000

During the year, expenses totalling £nil (2021: £nil) were reimbursed to no trustees (2021: no trustees).

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Trustees' and officers' insurance

The 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.

12 Tangible fixed assets

	Freehold property	Leasehold property	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£	£
Cost						
At 1 September 2021	23,206,779	6,248,436	90,840	108,878	88,210	29,743,143
Transfer on conversion	-	74,013	(74,013)	-	-	-
Additions	37,221	169,078	268,145	13,115	4,772	492,331
At 31 August 2022	23,244,000	6,491,527	284,972	121,993	92,982	30,235,474
Depreciation						
At 1 September 2021	2,213,261	154,000	-	75,824	39,638	2,482,723
Charge for the year	411,027	43,571	-	29,768	9,024	493,390
At 31 August 2022	2,624,288	197,571	-	105,592	48,662	2,976,113
Net book value						
At 31 August 2022	20,619,712	6,293,956	284,972	16,401	44,320	27,259,361
At 31 August 2021	20,993,518	6,094,436	90,840	33,054	48,572	27,260,420

The freehold property was valued by chartered surveyors on conversion to academy status. The trustees consider that the valuation remains appropriate as at 31 August 2021. 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 Trust. The leasehold property was valued by the local authority at the time of conversion.

Included in freehold and leasehold property is land valued at £6,913,000 (2021: £6,913,000) which consists of leasehold land of £4,313,000 (2021: £4,313,000) and freehold land of £2,600,000 (2021: £2,600,000).

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

13 Fixed asset investments

	Other investments £
Market value	
At 1 September 2021 and at 31 August 2022	21,994

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

Other investments

The other investments consists of funds held by Hertfordshire County Council on behalf of the Trust 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 Trust only for specific expenditure as authorised and is therefore held as a restricted reserve.

14 Debtors

	2022 £	2021 £
Trade debtors	37,285	33,826
VAT recoverable	60,498	66,052
Other debtors	2,886	3,060
Prepayments and accrued income	277,181	679,379
	<u>377,850</u>	<u>782,317</u>

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Other loans	15,384	105,000
Trade creditors	153,223	262,161
Other taxation and social security	144,452	137,551
Other creditors	158,562	162,352
Accruals and deferred income	326,319	234,985
	<u>797,940</u>	<u>902,049</u>

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other loans	184,616	242,500
	<u>184,616</u>	<u>242,500</u>
Analysis of loans	2022 £	2021 £
Not wholly repayable within five years by instalments	-	17,500
Wholly repayable within five years	200,000	330,000
	<u>200,000</u>	<u>347,500</u>
Less: included in current liabilities	(15,384)	(105,000)
	<u>(15,384)</u>	<u>(105,000)</u>
Amounts included above	184,616	242,500
	<u>184,616</u>	<u>242,500</u>
Loan maturity		
Debt due in one year or less	15,384	105,000
Due in more than one year but not more than two years	184,616	205,000
Due in more than two years but not more than five years	-	20,000
Due in more than five years	-	17,500
	<u>200,000</u>	<u>347,500</u>
	<u>200,000</u>	<u>347,500</u>

In the prior year, two loans were provided by the ESFA for £100,000 and £200,000. The loans are non-interest bearing and at the point of issue, the repayments were due within 12 months and between 1 and 2 years respectively. In the current year the loan for £100,000 was repaid in full as per the terms of the loan. At the year-end, the total amount outstanding in respect of these loans was £200,000.

In the year ended 31 August 2020, a loan of £50,000 was provided by LTA Operations Limited. The loan is non-interest bearing with repayments being due in equal six-monthly instalments over a 10 year period until maturity in December 2030. During the year, the remaining balance brought forward of £47,500 was repaid in full.

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	121,031	137,596
	<u>121,031</u>	<u>137,596</u>
Deferred income at 1 September 2021	137,596	-
Released from previous years	(137,596)	-
Resources deferred in the year	121,031	137,596
	<u>121,031</u>	<u>137,596</u>
Deferred income at 31 August 2022	121,031	137,596

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	265,590	9,258,287	(8,568,176)	(828,525)	127,176
Pupil premium	-	111,358	(111,358)	-	-
Other DfE/ESFA grants	-	358,879	(358,879)	-	-
Other government grants	-	320,207	(320,207)	-	-
Contributions to be reclaimed	(909,217)	-	-	872,838	(36,379)
Maths Hub	-	545,856	(587,019)	52,244	11,081
Sports pitch sinking fund	21,600	-	-	10,800	32,400
Other restricted funds	-	881,585	(829,622)	(51,963)	-
Pension reserve	(5,047,000)	-	(632,000)	4,221,000	(1,458,000)
	<u>(5,669,027)</u>	<u>11,476,172</u>	<u>(11,407,261)</u>	<u>4,276,394</u>	<u>(1,323,722)</u>
Restricted fixed asset funds					
DfE group capital grants	27,683,661	86,980	(328,015)	39,488	27,482,114
Other capital funds	-	165,375	(165,375)	-	-
	<u>27,683,661</u>	<u>252,355</u>	<u>(493,390)</u>	<u>39,488</u>	<u>27,482,114</u>
Total restricted funds	<u>22,014,634</u>	<u>11,728,527</u>	<u>(11,900,651)</u>	<u>4,315,882</u>	<u>26,158,392</u>
Unrestricted funds					
General funds	<u>109,470</u>	<u>83,071</u>	<u>-</u>	<u>(94,882)</u>	<u>97,659</u>
Total funds	<u>22,124,104</u>	<u>11,811,598</u>	<u>(11,900,651)</u>	<u>4,221,000</u>	<u>26,256,051</u>

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

(Continued)

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

All General funds are held for the purpose of education in line with the Trust's objectives.

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Trust was subject to a limit of 12% (2021: 12%) of the amount of GAG that could be carried forward at 31 August 2022. 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.

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

The pension reserve fund relates to the pension deficit arising on the LGPS pension scheme. 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.

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	357,850	7,977,378	(7,933,372)	(136,266)	265,590
UIFSM	-	31,070	(31,070)	-	-
Pupil premium	-	145,980	(145,980)	-	-
Other DfE/ESFA grants	-	599,350	(599,350)	-	-
Other government grants	-	342,650	(342,650)	-	-
Contributions to be reclaimed	(909,217)	-	-	-	(909,217)
Maths Hub	-	431,397	(567,663)	136,266	-
Sports pitch sinking fund	-	-	-	21,600	21,600
Other restricted funds	-	527,913	(506,313)	(21,600)	-
Pension reserve	(3,636,000)	-	(384,000)	(1,027,000)	(5,047,000)
	<u>(4,187,367)</u>	<u>10,055,738</u>	<u>(10,510,398)</u>	<u>(1,027,000)</u>	<u>(5,669,027)</u>
Restricted fixed asset funds					
DfE group capital grants	<u>27,471,118</u>	<u>693,867</u>	<u>(481,324)</u>	<u>-</u>	<u>27,683,661</u>
Total restricted funds	<u>23,283,751</u>	<u>10,749,605</u>	<u>(10,991,722)</u>	<u>(1,027,000)</u>	<u>22,014,634</u>
Unrestricted funds					
General funds	<u>117,641</u>	<u>69,189</u>	<u>(77,360)</u>	<u>-</u>	<u>109,470</u>
Total funds	<u>23,401,392</u>	<u>10,818,794</u>	<u>(11,069,082)</u>	<u>(1,027,000)</u>	<u>22,124,104</u>

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

(Continued)

Total funds analysis by academy

	2022 £	2021 £
Fund balances at 31 August 2022 were allocated as follows:		
Herts & Essex High School	7,102	(622,027)
Manor Fields Primary School	224,835	109,470
	<u>231,937</u>	<u>(512,557)</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	27,482,114	27,683,661
Pension reserve	(1,458,000)	(5,047,000)
	<u>26,256,051</u>	<u>22,124,104</u>
Total funds		

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £	Total 2021 £
Herts & Essex High School	5,184,375	1,223,642	957,076	129,831	7,494,924	8,185,421
Manor Fields Primary School	1,546,202	157,360	68,616	347,159	2,119,337	2,017,577
	<u>6,730,577</u>	<u>1,381,002</u>	<u>1,025,692</u>	<u>476,990</u>	<u>9,614,261</u>	<u>10,202,998</u>

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	27,259,361	27,259,361
Fixed asset investments	-	-	21,994	21,994
Current assets	97,659	1,116,834	200,759	1,415,252
Current liabilities	-	(797,940)	-	(797,940)
Non-current liabilities	-	(184,616)	-	(184,616)
Pension scheme liability	-	(1,458,000)	-	(1,458,000)
Total net assets	97,659	(1,323,722)	27,482,114	26,256,051

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	27,260,420	27,260,420
Fixed asset investments	-	21,994	-	21,994
Current assets	109,470	500,528	423,241	1,033,239
Current liabilities	-	(902,049)	-	(902,049)
Non-current liabilities	-	(242,500)	-	(242,500)
Pension scheme liability	-	(5,047,000)	-	(5,047,000)
Total net assets	109,470	(5,669,027)	27,683,661	22,124,104

20 Pension and similar obligations

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

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

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

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pension Scheme Regulations 2014. 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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 and the employer make contributions, as a percentage of salary. – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,030,199 (2021: £957,806).

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

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

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % 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.

Total contributions made	2022 £	2021 £
Employer's contributions	344,000	307,000
Employees' contributions	89,000	71,000
Total contributions	433,000	378,000

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.45	3.3
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	

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

	2022 Years	2021 Years
Retiring today		
- Males	21.9	22.1
- Females	24.4	24.5
Retiring in 20 years		
- Males	22.9	23.2
- Females	26.0	26.2

Scheme liabilities would have been affected by changes in assumptions as follows:

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations

(Continued)

Defined benefit pension scheme net liability	2022 £	2021 £
Scheme assets	4,655,000	4,636,000
Scheme obligations	(6,113,000)	(9,683,000)
Net liability	<u>(1,458,000)</u>	<u>(5,047,000)</u>

The Academy Trust's share of the assets in the scheme

	2022 Fair value £	2021 Fair value £
Equities	2,328,000	2,457,000
Bonds	1,071,000	1,344,000
Property	698,000	510,000
Cash	558,000	325,000
Total market value of assets	<u>4,655,000</u>	<u>4,636,000</u>

The actual return on scheme assets was £(306,000) (2021: £522,000).

Amount recognised in the statement of financial activities

	2022 £	2021 £
Current service cost	888,000	626,000
Interest income	(79,000)	(67,000)
Interest cost	167,000	132,000
Total operating charge	<u>976,000</u>	<u>691,000</u>

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2022 £	2021 £
At 1 September 2021	9,683,000	7,458,000
Current service cost	888,000	626,000
Interest cost	167,000	132,000
Employee contributions	89,000	71,000
Actuarial (gain)/loss	(4,606,000)	1,482,000
Benefits paid	(108,000)	(86,000)
At 31 August 2022	6,113,000	9,683,000

Changes in the fair value of the Academy Trust's share of scheme assets

	2022 £	2021 £
At 1 September 2021	4,636,000	3,822,000
Interest income	79,000	67,000
Actuarial loss/(gain)	(385,000)	455,000
Employer contributions	344,000	307,000
Employee contributions	89,000	71,000
Benefits paid	(108,000)	(86,000)
At 31 August 2022	4,655,000	4,636,000

21 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2022 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)		(89,053)	(250,288)
Adjusted for:			
Capital grants from DfE and other capital income		(252,355)	(693,867)
Defined benefit pension costs less contributions payable	20	544,000	319,000
Defined benefit pension scheme finance cost	20	88,000	65,000
Depreciation of tangible fixed assets		493,390	481,324
Decrease/(increase) in debtors		404,467	(96,341)
(Decrease) in creditors		(14,493)	(499,119)
Net cash provided by/(used in) operating activities		1,173,956	(674,291)

HERTS & ESSEX MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Analysis of changes in net funds/(debt)

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	250,922	786,480	1,037,402
Loans falling due within one year	(105,000)	89,616	(15,384)
Loans falling due after more than one year	(242,500)	57,884	(184,616)
	<u>(96,578)</u>	<u>933,980</u>	<u>837,402</u>

23 Related party transactions

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 10.

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.